



Canadian Tourism  
Commission

Commission canadienne  
du tourisme

# Canadian Tourism Industry Benchmark Study:

## Where Do We Rank in the Context of the Canadian Economy?

Conducted by:

The Conference Board of Canada

For:

The Canadian Tourism Commission (CTC)



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## Executive Summary

The Canadian Tourism Commission (CTC) commissioned The Conference Board of Canada (CBoC) to provide a benchmarking study on the vibrancy and competitiveness of the Canadian tourism industry. The objective of this study is to provide a new frame of analysis for comparing the performance of the Canadian tourism sector and the tourism component of tourism industries with other Canadian economic sectors and other conventional industries.

The new information on the performance of the Canadian tourism sector and component tourism industries relative to other economic sectors and industries provides a portrait of tourism in the larger national context. With the development of the Canadian Tourism Satellite Account and its related extensions—the National Tourism Indicators and Canada's Tourism Industry: Industrial Outlook—it has become relatively easy to applaud the achievements of the sector and criticize its failings by only looking at the tourism record separate from the overall national industrial context.

A new broader and more balanced look at tourism using a different frame of analysis is particularly relevant and timely in the current business and policy environment of uncertainty and negative growth brought on by the recent global financial market crisis. The resulting contractions in the overall economy as well various sectors, industries and financial market have stimulated a chorus of calls and special treatment by the full range of competing interests and sectors of the economy.

This study compared the performance of 11 sectors (or groups of industries) and 48 industries, including the tourism sector and tourism industries, to each other and to the overall economy. The tourism industries selected for comparison with other industries include the tourism component of transportation, accommodation, food and beverage and "other tourism industries". "Other tourism industries" are primarily comprised of recreation and entertainment, as well as travel services.

A set of ten performance indicators were chosen to assess the performance of each sector and industry. The ten performance indicators were separated into two distinct categories, economic indicators and financial indicators. Economic indicators included GDP, employment, labour productivity, taxes (as a share of revenue) and wages. Financial indicators included investment, revenues, costs, profit margins and bankruptcies. Data on bankruptcies was available at the sector level but not at the industry level.

By separating the performance indicators into the two categories of economic performance and financial performance, it was possible to establish benchmark comparisons at this level. The balanced *Economic Performance Index* and the balanced *Financial Performance Index* compare the economic and financial performance of each industry or sector. Both indices were calculated by weighting and adding up the scores for performance indicators in their respective categories. As well, the index values were calculated over each of the three time periods used in the analysis as well from the perspective of growth volatility.

Finally, a balanced *Composite Performance Index* assessed the overall performance of all benchmarked sectors and industries, by combining the results of the *Economic Performance Index* and the *Financial Performance Index*. The *Composite Performance Index* benchmarks the overall performance of each industry and sector against one another, and against the overall economy.

In addition to an assessment of the year, 2007, this analysis also looks back in time to examine trends in the tourism sector's performance in Canada over both the short term, the most recent three-year period (2004-2007), and the longer term period of nine years between 1999 and 2007. The analysis also examined the long-term volatility of growth for each of the performance indicators. These four temporal perspectives each represented an alternative way of assessing the performance of tourism and non-tourism sectors and industries.

#### Results from the sector analysis

Overall, the study found that the performance of Canada's tourism sector compares favourably with other broad sectors of the economy, ranking fourth overall on the broadest summary balanced composite measure of performance.

The wholesale and retail trade sector was the best performing sector within the *Economic Performance Index*, finishing slightly ahead of the financial sector. Meanwhile, the tourism sector ranked sixth in terms of economic performance. At the other end of the spectrum, the primary industries sector was the weakest performer within the *Economic Performance Index*.

The financial sector was the best performing sector within the *Financial Performance Index*, ranking ahead of other top performing sectors such as tourism and community, business and personal services. At the other end of the spectrum, the mining sector was the lowest performing sector within the *Financial Performance Index*.

In terms of overall performance, the financial sector took first place in the *Composite Performance Index*. The sector finished ahead of wholesale and retail trade (second place) and community, business and personal services (third place). The tourism sector ranked fourth in overall performance. Meanwhile, the primary industries sector was the weakest performer within the *Composite Performance Index*.

Composite Performance Index	Various Temporal Perspectives				Overall Index	
Economic Sectors	Current	Recent	Trend	Volatility	Score	Rank
Finance, Insurance and Real Estate	105.3	105.0	105.9	94.7	102.7	1
Industries, Rental and Leasing						
Wholesale and Retail Trade	102.3	100.8	103.0	100.2	101.6	2
Community, Business and Personal Services	102.7	101.7	103.3	96.2	101.0	3
Total Tourism	104.8	106.1	101.8	90.1	100.7	4
Construction	100.1	103.2	103.4	95.4	100.5	5
Non-Commercial Services	98.0	97.2	101.6	100.9	99.4	6
Transportation and Warehousing	99.0	100.6	98.7	93.0	97.8	7
Manufacturing Industries	99.4	96.5	94.3	93.9	96.0	8
Utilities	98.5	95.2	94.0	79.7	91.9	9
Mining, Oil and Gas Extraction	91.7	93.6	95.7	79.1	90.0	10
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	90.1	90.9	93.9	82.5	89.3	11
Total Economy	100.0	100.0	100.0	100.0	100.0	

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In summary, the performance of Canada's tourism sector compares favourably with other broad sectors of the economy, ranking fourth overall in a balanced multiple-perspective composite performance analysis. This means that the tourism sector provides the fourth best overall balance of strong and consistent performance over a broad range of both economic and financial performance measures in comparison with other major sectors of the economy.

Somewhat surprisingly and contrary to popular belief, when looking at the composite growth volatility over the long term, the tourism sector scored relatively well against other sectors by placing in the middle of the group of 10 other sectors with which it was compared.

For both the public and private sectors, the results suggest the tourism sector appears worthy of further investment considerations. The results also talk to the need for government attention and collaborative action among various levels of government and private sector partners to foster continued long-term growth of the tourism sector.

#### Results from the industry level analysis

When benchmarking, analyzing and comparing results at the individual industry level of analysis, computer system design ranked first and residential construction second, according to the *Economic Performance Index*. There was also a significant disparity in performance among tourism industries, with the tourism component of the accommodation industry the strongest performer among all the benchmarked tourism industries and fourth overall.

Meanwhile, the tourism portion of the food and beverage services industry ranked 18<sup>th</sup>. The *Financial Performance Index* indicated that chemical manufacturing was the strongest performer among all benchmarked industries, finishing just slightly ahead of tourism accommodation and non-metallic mineral product manufacturing. The tourism portion of "other tourism industries" was another strong performer among the tourism industries, ranking sixth overall in financial performance. Once again, there was a significant disparity among tourism industries within the *Financial Performance Index*; the tourism portion of the food and beverage industry ranked 25<sup>th</sup>.

The *Composite Performance Index at the industry analysis level* indicated the tourism portion of accommodation was the strongest performer overall, finishing just slightly ahead of wholesale trade (second place) and accommodation services (third place). Once again, individual tourism industries displayed significant variation in terms of overall performance. The tourism portion of food and beverage industry ranked 22<sup>nd</sup> out of the 48 industries benchmarked in the index.



Composite Performance Index	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
<b>Top 3 non-tourism industries</b>						
Wholesale Trade	104.9	104.8	103.6	97.1	102.6	2
Accommodation Services	109.0	118.9	106.2	75.0	102.3	3
Residential Construction	101.3	105.1	108.8	90.8	101.5	4
<b>Bottom 3 non-tourism industries</b>						
Pharmaceutical and Medicine	77.4	84.5	99.7	63.9	81.4	46
Manufacturing						
Forestry and Logging	74.7	80.7	89.3	79.1	80.9	47
Wood Product Manufacturing	75.2	71.6	87.0	64.1	74.5	48
<b>Tourism industries</b>						
Tourism component – Transportation	105.5	107.7	101.9	75.8	97.7	16
Tourism component – Accommodation	109.2	117.6	106.5	82.1	103.8	1
Tourism component – Food and Beverage	99.5	97.0	100.3	85.4	95.6	22
Tourism component Other Tourism Industries	106.9	100.3	98.7	91.7	99.4	10
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

#### Comparisons with Traditional Discrete Measurement Comparisons of Levels and Trends

Results of traditional discrete comparisons of tourism with other sectors and industry tend to not reveal tourism as a particularly strong or weak performer within the economy at either the sector or industry specific levels of analysis. However, using the broad multi-dimensional and balanced composite scorecard approach presented in this report, tourism emerges as one of the top strong and consistent growth performers in the economy when measured over a broad range of both economic and financial indicators.

#### Potential for International Comparisons

Results of a preliminary assessment of the possibility of extending this domestic comparative analysis to a similar comparison with other countries were mixed. An extension to include overall tourism sectors of other national destination competitors does appear feasible in terms of the availability of suitable data sources. However, extending the analysis to include an international comparisons for individual component tourism industries does not appear feasible given the current unavailability of high quality, consistent and comparable international data at this level.

It is recommended that the next step in determining the feasibility for an international comparison would involve the development of a prototype comparison analysis starting with a competitive set of countries that already possess suitable data sources. Similarly, it is recommended that, based on this pilot study, the integrated balanced report card analysis for comparing the performance of tourism with other sectors and industries be implemented at the sector level of analysis focusing firstly on the composite overall index performance measure.

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# Introduction

The Conference Board of Canada (CBoC) was commissioned by the Canadian Tourism Commission (CTC) to undertake a Tourism Competitive Benchmarking Study (TCBS). The primary objective of this study is to provide a new frame of analysis— an integrated and balanced report card—for comparing the performance of the Canadian tourism sector, as defined and specified by the Canadian Tourism Satellite Account and the tourism component of tourism industries with other Canadian economic sectors and conventional industries.

What does the Conference Board's tourism performance report card measure?

The report measures how well Canada is meeting its fundamental tourism policy goals of creating a vibrant tourism sector that provides significant and sustained benefits for the whole Canadian economy and for all Canadians. Furthermore, it addresses this question in the context of a global period of economic uncertainty, volatility and rapid negative growth.

What is meant by "a vibrant tourism sector"?

Within this study the Conference Board defines "vibrancy" as a balanced combination of strong growth and sustained consistent performance across two distinct categories and three time periods:

Performance Categories:

- Economic performance
- Financial Performance

Time periods:

- Most recent year
- Past 3 years
- Past 9 years

Following from the Canadian Tourism Satellite Account, in this report the Conference Board defines the tourism sector as the group of individual industries that provide services and commodities to visitors and would be significantly affected if tourism activity was removed from the Canadian economy. The tourism industries selected for comparison with other industries include, the tourism components of transportation, accommodation, food and beverage services and "other" tourism industries. "Other" tourism industries are primarily comprised of recreation and entertainment, as well as travel services.



In this report, we compare the “synthetic tourism sector”<sup>1</sup> to other sectors and tourism components of tourism industries to other conventional industries. Maintaining this two level scope of analysis was done for a few reasons. First, this type of comparison is the most credible. Individual industries tend to be much more volatile than large sectors and this volatility can have a significant effect on the results. Second, comparing the overall tourism sector with small specialized industries, like computer system design, could complicate the interpretation of the results, because the scope of factors affecting performance can be dramatically different.

#### Why measure tourism’s relative performance?

The new information on the performance of the Canadian tourism sector and component tourism industries relative to other economic sectors and industries provides a portrait of tourism in the larger national context. With the development of the Canadian Tourism Satellite Account and its related extensions—such as the National Tourism Indicators, and Canada’s Tourism Industry: Industrial Outlook—it has become relatively easy to applaud the achievements of the sector and criticize its failings by only looking at the tourism record separate from the larger national industrial context.

The CTC and the Conference Board began the tourism benchmarking study for two reasons. First, we wanted to provide a broader reality check by assessing tourism’s economic and financial performance relative to that of other conventional sectors and industries. Tourism leaders and policy makers have become too accustomed to the results and insights provided by other existing tools regarding tourism’s performance as a sector and group of industries unto themselves. We wanted to answer three basic questions: How does Canada’s tourism sector performance compare when measured against other sectors of the Canadian economy? How does the performance of the tourism component of individual tourism industries compare with the overall tourism sector? How does the performance of the tourism component of individual tourism industry groups compare with other conventional industries in the Canadian economy.

Second, we wanted to investigate the possibility of extending the analysis and broaden the reality check by assessing the sector’s economic and financial performance relative to that of other countries, particularly our key competitors for international tourism markets. Here we wanted to answer two additional questions: Is it possible to make similar performance comparisons between Canada’s tourism sector and other competing national tourism sectors? Is it also possible to compare Canada’s individual tourism industries with those in other countries?

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<sup>1</sup> Tourism is fundamentally a social phenomenon that generates economic effects rather than an economic phenomenon. The United Nations World Tourism Organizations defines tourism as the social activity of persons traveling away from their usual environment for a variety of specific purposes. As such, in economic terms tourism represents as specialized category of industrial demand rather than a homogeneous conventional industry.

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## Overview

### How does the Conference Board measure relative performance?

This study analysis was modelled after the Conference Board's successful annual national benchmarking analysis, started some 12 years ago that presents Canadians with a portrait of themselves in an international context. This study used a novel analysis approach to compare the performance of 11 sectors (or groups of industries) and 48 industries, including the tourism sector and tourism industries, to each other and to the overall economy. The tourism industries selected for comparison with other industries included the tourism segment of transportation, accommodation, food and beverage and "other" tourism industries. "Other" tourism industries are primarily comprised of recreation and entertainment, as well as travel services.

A set of ten performance indicators were chosen and grouped into two distinct categories, economic indicators and financial indicators, to evaluate and compare the performance of tourism relative to other sectors and industries. Economic indicators included GDP, employment, labour productivity, taxes (as a share of revenue) and wages. The Economic Performance Index and the Financial Performance Index compare the economic and financial performance of each industry or sector. Both indices were calculated by adding up the scores for performance indicators in their respective categories. As well, the index values were calculated over each of the various time perspectives used in the analysis as well as from the perspective of growth volatility.

We adopted an integrated report card-style rating of A+,A,B,C,D to link with the other previously established successful Conference Board reports on the overall socio-economic performance of Canada.

The sector comparison included the following sector perspectives or groups of industries:

1. Primary Industries (Agriculture, Fishing and Trapping, Forestry)
2. Mining, Oil and Gas Extraction
3. Utilities
4. Construction
5. Manufacturing Industries
6. Wholesale and Retail Trade
7. Transportation and Warehousing
8. Finance, Insurance and Real Estate Industries, Rental and Leasing
9. Community, Business and Personal Services
10. Non-Commercial Services
11. Total Tourism
12. Total Economy

The industry comparison included the following industry perspectives:

1. Agriculture, Fishing, Hunting, Trapping and Support Activities
2. Forestry and Logging
3. Crude Oil Extraction
4. Natural Gas Extraction
5. Mining except Oil and Gas Extraction
6. Total Utilities
7. Residential Construction
8. Non-Residential Construction
9. Food Manufacturing
10. Textile Products and Related Manufacturing
11. Wood Product Manufacturing
12. Paper Manufacturing
13. Printing and Related Support Activities
14. Petroleum and Coal Products Manufacturing
15. Chemical Manufacturing
16. Pharmaceutical and Medicine Manufacturing
17. Plastics and Rubber Products Manufacturing
18. Non-metallic Mineral Product Manufacturing
19. Fabricated Metal Product Manufacturing
20. Machinery Manufacturing
21. Computer and Electronic Product Manufacturing
22. Electrical Equipment, Appliance and Component Manufacturing
23. Motor Vehicle Manufacturing
24. Motor Vehicle Parts Manufacturing
25. Aerospace Product Manufacturing
26. Furniture and Related Product Manufacturing
27. Wholesale Trade
28. Retail Trade
29. Air Transportation
30. Other Transportation
31. Publishing
32. Telecommunications
33. Insurance
34. Insurance Carriers
35. Insurance Brokers
36. Renting, Leasing and Related
37. Real Estate
38. Professional, Scientific and Technical Services
39. Computer System Design
40. Administrative and Support Services
41. Educational, Healthcare and Social Assistance Services
42. Accommodation Services
43. Food Services
44. Repair and Maintenance
45. Tourism component of Transportation
46. Tourism component of Accommodation
47. Tourism component of Food and Beverage
48. Tourism component of Other Tourism Industries

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In order to achieve its goal, the study sought an objective approach to assess the performance of the tourism sector and tourism industries in a broad manner. In particular, the integrated scorecard would assess performance on a variety of economic and financial indicators. The following list indicates the indicators used in the study to assess sector and industry performance:

1. Real GDP
2. Employment
3. Labour Productivity
4. Investment
5. Revenue
6. Cost
7. Profit margin(as a share of revenues)
8. Taxes (as a share of revenues)
9. Average wages
10. Bankruptcies

The generation of the integrated balanced scorecard also meant that performance was to be assessed over various time periods. The following list indicates the various time periods that were used in the study to produce an integrated scorecard on sector and industry performance:

1. Current analysis (2006-2007)
2. Recent analysis (2004-2007)
3. Long-term trend analysis (1999-2007)

Another temporal perspective incorporated into the integrated balanced scorecard analysis was the degree of consistency in performance that was observed. Performance volatility not only affects operational decisions but also the decisions of external stakeholders and policy makers. Operational decisions affecting cost containment or optimal staffing levels are made more difficult in an environment affected by inconsistent performance. Inconsistent performance is also likely to complicate any return on investment calculations which could negatively affect the decisions of external stakeholders, like those involved in securing capital financing and government support.



## Context: Relative Size, Relative Growth

### Introduction

While the ultimate objective of this study was to benchmark the performance of the tourism sector and tourism industries using a report card, or integrated balanced scorecard approach, readers may find it beneficial to view the relative size and relative growth of the tourism sector and the tourism component of tourism industries in relation to other sectors and industries. The tables in this section will provide the reader with comparative tables on the relative size and relative growth of sectors. To see the relative size of tourism industries against other industries, the reader should refer to Appendix A: Detailed Industry Measures. Similarly, to view the relative growth of tourism industries against other industries, the reader should refer to Appendix B: Detailed Industry Indicator Growth.

### The Relative Size of Canada's Tourism Sector

The following tables illustrate the relative size of the sectors used in the analysis from various perspectives in the most current year available (2007). The first table presents the actual level observed in each sector for each of the five economic indicators. The next table presents the actual level observed for each of the five financial indicators.

Economic Sectors	Economic Indicators - 2007 levels				
	GDP (\$millions)	Employment ('000s)	Productivity (\$'000s GDP /employee)	Taxes (\$millions)	Wages (Avg. weekly wage-incl. overtime)
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	27,125	423	64	433	963
Mining, Oil and Gas Extraction	57,417	255	225	7,206	1,697
Utilities	31,269	138	227	206	1,127
Construction	72,288	1,133	64	3,719	934
Manufacturing Industries	184,895	2,046	90	13,553	938
Wholesale and Retail Trade	143,714	2,683	54	8,917	586
Transportation and Warehousing	57,078	823	69	2,261	800
Finance, Insurance and Real Estate Industries, Rental and Leasing	231,847	1,059	219	16,450	915
Community, Business and Personal Services	158,831	3,997	40	5,835	669
Non-Commercial Services	135,979	3,028	45	1,138	754
Total Tourism	26,559	653	41	832	426
<b>Total Economy</b>	<b>1,220,813</b>	<b>16,865</b>	<b>72</b>	<b>61,570</b>	<b>771</b>



The tourism sector contributes approximately 2.2 per cent of the total economy's GDP and 3.9 per cent of Canadian employment. Productivity and average wages tend to be lower in the tourism sector than the overall economy and other leading industry sectors.

Economic Sectors	Financial Indicators				
	Investment (\$millions)	Revenues (\$millions)	Costs (\$millions)	Profits (\$millions)	Bankruptcies (businesses)
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	4,444	43,156	42,261	895	297
Mining, Oil and Gas Extraction	47,022	196,780	173,580	23,201	29
Utilities	18,951	264,898	264,122	776	7
Construction	5,882	221,952	213,544	8,408	1,090
Manufacturing Industries	24,989	706,067	672,008	34,059	590
Wholesale and Retail Trade	14,288	896,324	868,160	28,165	1,207
Transportation and Warehousing	16,381	124,619	116,660	7,959	608
Finance, Insurance and Real Estate	41,264	373,652	308,365	65,287	245
Industries, Rental and Leasing					
Community, Business and Personal Services	12,626	255,123	245,128	9,995	1,980
Non-Commercial Services	14,538	34,499	30,312	4,187	113
Total Tourism	4,915	9,874	9,402	472	841
<b>Total Economy</b>	<b>236,860</b>	<b>3,019,503</b>	<b>2,825,822</b>	<b>193,680</b>	<b>6,293</b>

Investment in the tourism sector represents approximately 2.1 per cent of the total investment in Canada. Meanwhile, tourism businesses account for roughly 0.3 per cent of all operating revenues and costs and 0.2 per cent of all profits. However, tourism businesses account for 13.4 per cent of all bankruptcies.

#### The Relative Performance of Canada's Tourism Sector

The tables that follow illustrate the actual growth witnessed by the various sectors on the economic and financial indicators. Similarly, to view relative growth of the tourism sector against other sectors for the full scope of economic and financial indicators used in this analysis see Appendix C Detailed Sector Indicator Growth, including separate tables presenting the actual growth observed across each of the three distinct perspectives: current performance, recent performance and trend performance.

Economic Indicators – Current Performance (actual growth)

Economic Indicators – Current Growth (2007/2006)					
Economic Sectors	GDP	Employment	Productivity	Taxes* (share of revenues)	Avg. Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	-4.0%	-2.3%	-1.8%	-0.2%	3.3%
Mining, Oil and Gas Extraction	0.7%	6.0%	-5.2%	0.2%	4.9%
Utilities	3.9%	13.0%	-8.1%	-0.1%	3.6%
Construction	3.0%	6.0%	-2.7%	0.2%	4.4%
Manufacturing Industries	-1.0%	-3.4%	2.5%	0.1%	3.5%
Wholesale and Retail Trade	5.7%	1.9%	3.8%	0.0%	2.3%
Transportation and Warehousing	1.9%	2.6%	-0.7%	0.3%	1.9%
Finance, Insurance and Real Estate Industries, Rental and Leasing	4.1%	1.9%	2.2%	0.7%	4.0%
Community, Business and Personal Services	3.0%	4.2%	-1.2%	0.7%	4.0%
Non-Commercial Services	2.9%	2.9%	0.1%	0.1%	2.8%
<b>Total Tourism</b>	<b>3.7%</b>	<b>2.8%</b>	<b>0.9%</b>	<b>5.4%</b>	<b>3.5%</b>
<b>Total Economy</b>	<b>2.5%</b>	<b>2.3%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>3.2%</b>

The current performance comparison indicates that the tourism sector outperformed the overall economy on all five economic indicators.

Economic Indicators – Recent Performance (actual growth)

Economic Indicators – Recent Growth (2007/2004)					
Economic Sectors	GDP	Employment	Productivity	Taxes* (share of revenues)	Avg. Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	-3.6%	-0.3%	-3.5%	-0.2%	9.3%
Mining, Oil and Gas Extraction	2.8%	35.6%	-24.3%	-0.5%	16.3%
Utilities	7.5%	3.6%	3.9%	-0.2%	6.1%
Construction	14.5%	19.1%	-3.9%	0.6%	11.1%
Manufacturing Industries	0.1%	-10.7%	12.1%	0.1%	8.8%
Wholesale and Retail Trade	16.7%	7.0%	9.1%	0.1%	9.4%
Transportation and Warehousing	9.4%	2.6%	6.6%	0.0%	5.7%
Finance, Insurance and Real Estate Industries, Rental and Leasing	12.1%	10.2%	1.8%	0.4%	11.6%
Community, Business and Personal Services	10.0%	7.6%	2.2%	1.0%	12.2%
Non-Commercial Services	8.5%	9.4%	-0.8%	0.4%	10.3%
<b>Total Tourism</b>	<b>11.4%</b>	<b>6.0%</b>	<b>5.2%</b>	<b>4.4%</b>	<b>11.2%</b>
<b>Total Economy</b>	<b>8.4%</b>	<b>5.7%</b>	<b>2.5%</b>	<b>0.2%</b>	<b>9.7%</b>

The recent performance comparison indicates that the tourism sector also outperformed the overall economy on all five economic indicators.

# Economic Indicators – Trend Performance (actual growth)

Economic Indicators – Trend Growth (2007/1999)					
Economic Sectors	GDP	Employment	Productivity	Taxes* (as a share of revenues)	Avg. Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	-1.4%	-18.0%	20.2%	0.1%	24.5%
Mining, Oil and Gas Extraction	13.4%	65.4%	-31.6%	-1.0%	27.2%
Utilities	10.6%	21.0%	-8.5%	-0.4%	10.6%
Construction	47.2%	47.7%	-0.3%	0.0%	19.5%
Manufacturing Industries	7.8%	-6.7%	15.5%	-0.7%	20.0%
Wholesale and Retail Trade	48.0%	21.0%	22.3%	0.2%	16.7%
Transportation and Warehousing	21.9%	11.5%	9.4%	0.9%	11.9%
Finance, Insurance and Real Estate Industries, Rental and Leasing	31.2%	23.1%	6.6%	0.9%	19.2%
Community, Business and Personal Services	33.7%	21.6%	10.0%	1.1%	23.6%
Non-Commercial Services	19.1%	25.8%	-5.4%	1.1%	27.0%
<b>Total Tourism</b>	<b>18.5%</b>	<b>11.1%</b>	<b>6.7%</b>	<b>2.5%</b>	<b>17.9%</b>
<b>Total Economy</b>	<b>25.6%</b>	<b>17.0%</b>	<b>7.3%</b>	<b>0.0%</b>	<b>20.3%</b>

The trend performance comparison indicates that the tourism sector underperformed the overall economy on four out of five economic indicators.

The following set of tables present the actual growth witnessed in each of the five financial indicators over the current performance, recent performance and trend performance.



# Financial Indicators – Current Performance (actual growth)

Financial Indicators – Current Growth (2007/2006)					
Economic Sectors	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	0.1%	0.7%	1.9%	-1.2%	-16.5%
Mining, Oil and Gas Extraction	-6.4%	7.4%	11.9%	-3.5%	-6.6%
Utilities	22.6%	-4.2%	-4.0%	-0.2%	-46.7%
Construction	8.0%	12.4%	13.6%	-1.0%	-5.0%
Manufacturing Industries	10.7%	-0.9%	-0.9%	0.0%	3.7%
Wholesale and Retail Trade	7.0%	5.8%	5.4%	0.3%	-7.5%
Transportation and Warehousing	10.1%	7.8%	8.1%	-0.2%	-4.4%
Finance, Insurance and Real Estate	3.1%	6.9%	5.4%	1.2%	6.2%
Industries, Rental and Leasing					
Community, Business and Personal Services	13.6%	5.0%	4.8%	0.2%	-6.5%
Non-Commercial Services	2.8%	6.4%	6.6%	-0.2%	-14.4%
<b>Total Tourism</b>	<b>4.2%</b>	<b>5.5%</b>	<b>4.7%</b>	<b>0.8%</b>	<b>-4.6%</b>
<b>Total Economy</b>	<b>6.8%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>0.0%</b>	<b>-6.7%</b>

The current performance comparison indicates that the tourism sector outperformed the overall economy on three out of five financial indicators. It should be mentioned that, everything else being equal, weaker growth in operating costs is preferred.

# Financial Indicators – Recent Performance (actual growth)

Financial Indicators – Recent Growth (2007/2004)					
Economic Sectors	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	-8.8%	8.3%	8.2%	0.1%	-28.1%
Mining, Oil and Gas Extraction	30.8%	40.6%	41.1%	-0.2%	-56.8%
Utilities	46.2%	16.6%	23.2%	-5.4%	-42.1%
Construction	32.3%	37.8%	36.5%	0.9%	-18.8%
Manufacturing Industries	23.0%	0.7%	0.9%	-0.1%	-19.9%
Wholesale and Retail Trade	9.1%	18.7%	17.8%	0.7%	-24.5%
Transportation and Warehousing	46.8%	21.1%	18.1%	2.3%	-24.4%
Finance, Insurance and Real Estate	43.9%	29.0%	25.8%	2.1%	-16.4%
Industries, Rental and Leasing					
Community, Business and Personal Services	15.7%	18.0%	16.1%	1.6%	-20.2%
Non-Commercial Services	23.1%	29.5%	27.9%	1.1%	-39.3%
<b>Total Tourism</b>	<b>28.1%</b>	<b>19.4%</b>	<b>14.3%</b>	<b>4.2%</b>	<b>-20.8%</b>
<b>Total Economy</b>	<b>28.2%</b>	<b>17.5%</b>	<b>16.2%</b>	<b>1.0%</b>	<b>-22.5%</b>



The recent performance comparison indicates that the tourism sector outperformed the overall economy on three out of five financial indicators.

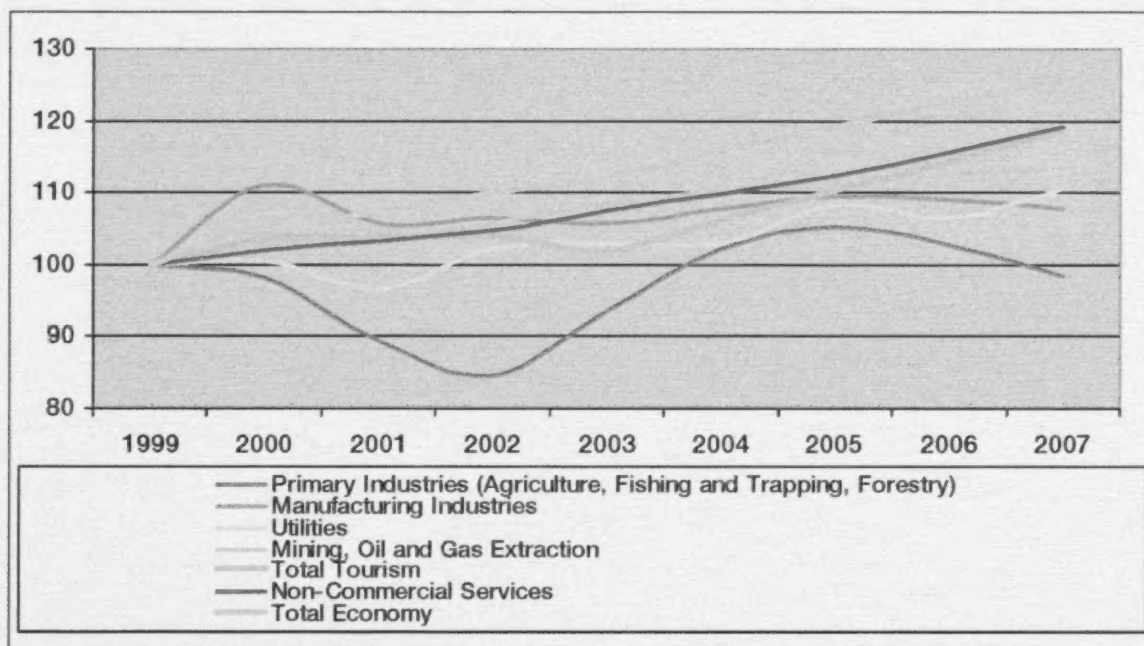
Financial Indicators – Trend Performance (actual growth)

Financial Indicators – Trend Growth (2007/1999)					
Economic Sectors	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	-13.0%	76.2%	68.0%	4.8%	-28.1%
Mining, Oil and Gas Extraction	128.8%	191.8%	165.0%	9.6%	-56.8%
Utilities	125.9%	115.3%	114.1%	0.5%	-42.1%
Construction	60.2%	117.8%	114.8%	1.4%	-18.8%
Manufacturing Industries	6.9%	20.1%	21.9%	-1.4%	-19.9%
Wholesale and Retail Trade	68.6%	57.2%	55.4%	1.2%	-24.5%
Transportation and Warehousing	4.3%	56.5%	50.1%	4.0%	-24.4%
Finance, Insurance and Real Estate	53.1%	60.0%	47.6%	6.9%	-16.4%
Industries, Rental and Leasing					
Community, Business and Personal Services	70.3%	60.7%	57.3%	2.1%	-20.2%
Non-Commercial Services	90.4%	93.1%	81.8%	5.5%	-39.3%
<b>Total Tourism</b>	<b>17.0%</b>	<b>32.7%</b>	<b>29.1%</b>	<b>2.7%</b>	<b>-20.8%</b>
<b>Total Economy</b>	<b>53.3%</b>	<b>55.9%</b>	<b>52.7%</b>	<b>2.0%</b>	<b>-22.5%</b>

The trend performance comparison indicates that the tourism sector outperformed the overall economy on three out of five financial indicators.

The following graphs show the actual trend performance of GDP and employment growth in the tourism sector compared against the performance of other non-tourism sectors and the overall economy. For comparative purposes, all values for 1999 have been benchmarked to 100.

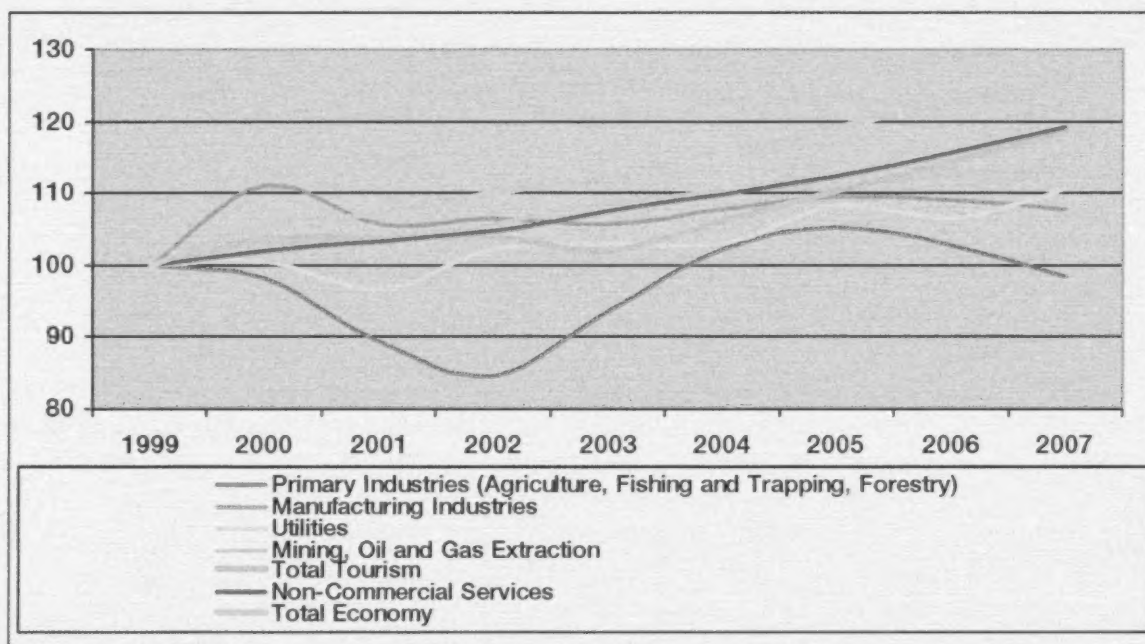
**Benchmark Real GDP - Top 5 non-tourism sectors versus tourism and overall economy (1999=100)**



This graphical view of the long-term Real GDP growth long term trend performance of tourism versus the overall economy and the top 5 non-tourism sectors reveals that, while the tourism sector experienced negative growth in tourism GDP between 2000 and 2003, from 2003 onward the annual rate of growth of the tourism sector actually exceeded that of the overall economy and tracked closely with the leading 5 non-tourism sectors of the economy. In particular, the tourism sectors growth rate in the 2003 to 2007 period paralleled those of the Transportation and Warehousing sector as well as the Community, Business and Personal Services sector.

Similarly, a graphical comparison of the long-term real GDP growth long term trend performance of tourism versus the bottom 5 non-tourism sectors and the overall economy shows that, while the tourism sector experienced negative growth in tourism GDP between 2000 and 2003, the decline in tourism in this period was nowhere near as extreme as that of the Primary Industries sector (Agriculture, Fishing and Trapping, and Forestry). Furthermore, from 2003 onward the annual rate of growth of the tourism sector exceeded virtually all of the bottom 5 non-tourism sectors of the economy.

# Benchmark Real GDP - Bottom 5 non-tourism sectors versus tourism and overall economy (1999=100)

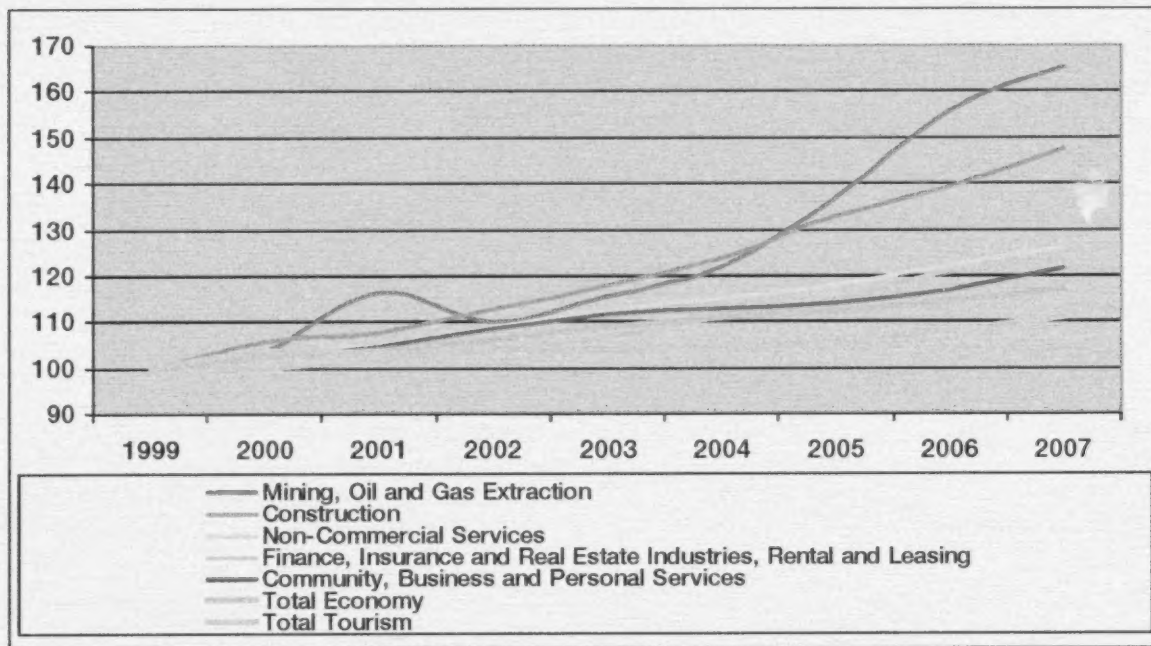


On the other hand, a graphical view of the long-term employment growth trend performance of tourism versus the overall economy and both the top 5 non-tourism sectors and the bottom 5 non-tourism sectors reveals that, while the tourism sector employment growth tracked closely with the total economy and was generally consistently positive over the full 9 year period; it showed none of the wide ranging volatility found in both the top 5 non-tourism sector such as Mining, Oil and Gas Extraction and Construction or the similar rapid positive and negative year over year employment growth changes seen in the Utilities, Manufacturing Industries and Primary Industries sector (Agriculture, Fishing and Trapping and Forestry).

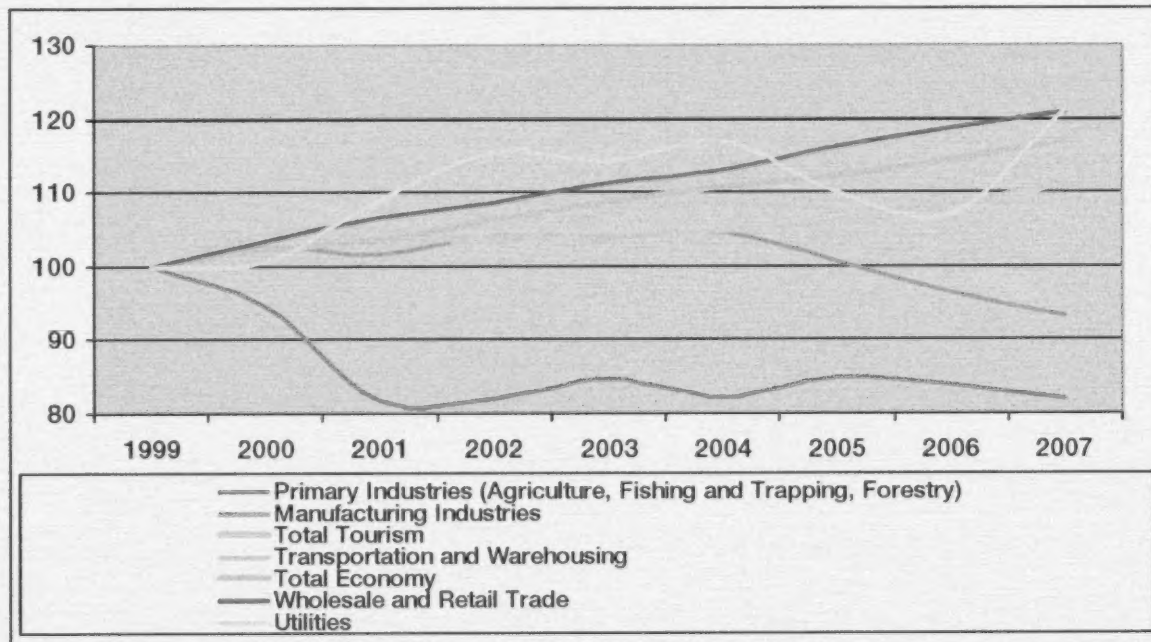
A major limitation of these one level and single indicator comparisons is that each one, in and of itself, does not capture and reflect the full extent, breadth and consistency of tourism's performance.

Thus, the complexity and incoherence of multiple different single indicator views of tourism's relative performance across different measures, scales and levels highlights the need for a composite balanced set of integrated performance indicator measures as has been developed and tested in this study.

Top 5 Non-Tourism Industries compared with Tourism and Overall Economy –  
Employment Growth (1999=100)



Bottom 5 Non-Tourism Industries compared with Tourism and Overall Economy –  
Employment Growth (1999=100)





# Performance Assessment Methodology

## Concepts and Definitions

This section describes some of the key concepts and definitions that are specific to this tourism performance benchmarking study as well as the Canadian Tourism Satellite Account (CTSA) and the National Tourism Indicators (NTI) on which it is based. It includes some of the basic notions of tourism, the definitions of tourism demand and tourism industries, as well as GDP and employment with the tourism sector and tourism components of identified tourism industries.

### Tourism, Usual Environment, Visitors and Tourists

At the core of this study as well as the National Tourism Indicators and the CTSA is the definition of tourism, which is defined internationally as: "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". Thus, the concept of tourism here is a social phenomenon rather than an economic phenomenon. The economic aspects of tourism demand and supply emerge as a result of the services and commodities purchased by visitors in the course of their travel.

The concept of usual environment relates to the place where individuals live and work or study, and includes other places frequented routinely. For operational purposes, Canada has defined the concept of "outside the usual environment" as greater than 80 kilometers one way from home. Crossing an international border, however, is also considered tourism no matter the distance travelled.

In the CTSA, people who are engaged in tourism are called visitors. In the CTSA and in this handbook, the term tourist is used to denote all visitors, whether they are same-day visitors or overnight tourist visitors.

### Industries and Tourism Industries

In this study, which follows the CTSA and the Canadian System of National Economic Accounts, industries and sectors are defined by the 2002 North American Industry Classification System (NAICS). Thus, an industry is defined herein as a group of establishments that engages in the same or a similar kind of economic activity.

However, tourism is not an industry in this sense. Rather, tourism cuts across industries identified in the NAICS as it is dependent on the consumer's purchases as a visitor or tourist. Moreover, because tourists purchase goods and services from many different industries, the CTSA identifies and separates out the tourism component from each of the many different industries from which visitors purchase commodities and services.

In the CTSA, a tourism industry is defined as one that would cease or continue to exist only at a significantly reduced level of activity as a direct result of an absence of tourism. See Appendix F for the list of tourism industries. Some industries are included as tourism even though the majority of their output can be attributed to non-tourism. The food and beverage services and recreation and entertainment industries are examples. Such industries are included because without tourism, their level of activity would be significantly reduced.



### Tourism industry component ratios

One of several important ratios calculated in the CTSA, the tourism GDP ratio, is key to this study. The tourism GDP ratio measures how much of the production of a certain industry (at the published level) is attributable to tourism. It is calculated by taking the tourism GDP and comparing it to the total GDP (i.e., tourism GDP + non-tourism GDP) of the industry. For example, in the CTSA 2002, 79 per cent of the air transportation industry's GDP was attributable to tourism. This ratio is used in this study to identify the component of the tourism sector and respective tourism industries output that is attributable to tourism demand and therefore relevant in assessing tourism's performance and comparing it with other economic activities at both the sector and industry levels.

### GDP and employment in the tourism sector and tourism industries

Within this study, two of the key indicators of performance at both the sector and industry specific levels of analysis are sector and industry gross domestic production and employment. In this study these measures are based on the measures of Tourism GDP and tourism employment produced by the CTSA and the NTI. GDP of the tourism sector and tourism industries is defined as the unduplicated value of production, within the boundaries of a region (i.e. country), of goods and services (including tourism and non-tourism commodities) purchased by visitors. In this study as with the CTSA, GDP is valued at basic prices, the same method of valuation as in the I-O tables of the CSNEA. Only direct GDP, as opposed to indirect GDP, is measured.

Similarly, employment levels and growth in this study are measures of the number of jobs and the growth of jobs in the tourism sector and in tourism industries held by the self-employed, employees and unpaid family workers. The tourism component of the employment of the tourism sector and tourism industries includes only jobs directly attributable to tourism. Thus, in the food and beverage services industry, only those jobs that are directly associated with services purchased by visitors are included in the employment measure of the tourism component of tourism industries.

### Tourism Sector

Following from the Canadian Tourism Satellite Account, in this report the Conference Board defines the tourism sector as the group of individual industries that provide services and commodities to visitors and would be significantly affected if tourism activity was removed from the Canadian economy. See Appendix F for the detailed list of tourism industries included within the tourism sector in this study. The tourism industry groups selected for comparison with other industries include the tourism components of transportation, accommodation, food and beverage services and "other" tourism industries. "Other" tourism industries is a diverse category that is primarily comprised of the travel services industry sub-group as well as the recreation and entertainment industry sub-groups.

### Vibrant Tourism Sector

Within this study the Conference Board defines "vibrancy" as a balanced combination of strong growth and sustained consistent performance in two distinct categories and three time periods:

**Performance Categories:**

- Economic performance
- Financial Performance

**Time periods:**

- Most recent year
- Past 3 years
- Past 9 years

**Data Sources**

The main data source for many of the underlying economic and financial indicators was Statistics Canada's CANSIM service. In some instances, however, special tabulations were provided by Statistics Canada. The following is a list of primary data sources as well as the methods used to derive the data set.

Data for gross domestic product (GDP) came from Statistics Canada Table 379-0027: Gross Domestic Product (GDP) at basic prices, by North American Industry Classification System (NAICS), monthly (dollars). In a few cases, data or partial data for GDP had to be imputed for the detailed industry analysis by using shares of other existing data. Depending on the industry, shares were based on employment, manufacturing shipments or other output measures. In all cases, this had only a minor effect on the overall outcome of the GDP performance by industry.

Data for employment came from special tabulations of Statistics Canada's Labour Force Survey. These tabulations were comprised of seasonally adjusted monthly, full-time equivalent employment figures at the 4-digit NAICS level. Employment for larger industries (3-digit and higher) were also aggregated according to NAICS.

Productivity by industry or sector was calculated as the output (GDP) per employee. Productivity growth refers to the growth rate of productivity.

Investment data came from Statistics Canada, Table 031-0002: Flows and stocks of fixed non-residential capital, by NAICS and asset, Canada, provinces and territories, annual (dollars). As is the case for GDP, in a few instances detailed industry data had to be imputed by using shares of other existing data sources such as employment, GDP, revenues, manufacturing shipments or other output measures.

Data for operating revenues, operating costs, taxes and profit margins came from special tabulations of Statistics Canada's Consolidated Financial Statements. The quarterly data was annualized and seasonally adjusted. In some cases, data were rescaled to readily available industry metrics that allowed for better representation of the industry within the Canadian economy. For most of the manufacturing industries, financial data was rescaled so that revenues roughly correspond to the level of manufacturing shipments by a specific industry.

Data for bankruptcies was only available at the sector level. Bankruptcy data came from Statistics Canada Table 177-0007: Business bankruptcies and liabilities, by NAICS, monthly.

Data for wages were taken from the Survey of Employment, Payroll and Hours (SEPH) Table 281-0026: Average weekly earnings (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the NAICS, monthly (dollars).

### Benchmark Methodology

Performance indicators for the nine years from 1999 to 2007 were compiled for each industry and sector analyzed in this study.

Because the analysis compares the performance of the tourism sector and tourism components of tourism industries with other sectors and industries, it was important to neutralize any size disparities among industries and sectors. This allowed the analysis to focus on the rate of change among the performance indicators over the following time periods:

1. Current analysis (2006-2007)
2. Recent analysis (2004-2007)
3. Long-term trend analysis (1999-2007)

The calculation of long-term growth between 1999 and 2007 used the Hodrick-Prescott Filter. The Hodrick-Prescott Filter is often used in macroeconomics, particularly in business cycle analysis. It is a method used to separate the cyclical component of a series from the long-term trend component of the series. The adjustment of the sensitivity of the trend to short-term fluctuations is achieved by modifying a penalty parameter  $\lambda$ , where higher values generate a smoother long term trend.

A volatility analysis of the performance indicators was also used. The volatility analysis examined the volatility of long-term growth witnessed for each of the performance indicators.

In addition, performance indicators were segmented into two categories, *economic* indicators and *financial* indicators. Indicators that reflect external effects to the broader economy were categorized as economic indicators. Those that reflect internal effects to the financial well-being of the industry or sector were categorized as financial indicators.

While most indicators convey both external and internal effects, the classification was based on what is considered to be the primary effect. The indicators were categorized as follows:

#### **Economic Indicators:**

1. Real GDP
2. Employment
3. Labour Productivity
4. Taxes (as a share of revenues)
5. Wages

#### **Financial Indicators:**

1. Investment
2. Revenues
3. Costs
4. Profit Margins (as a share of revenues)
5. Bankruptcies



Data on the performance indicators were combined to form a benchmark index for each of the perspectives used in the analysis: current performance, recent performance, trend performance and volatility performance.

The score for each performance measure of each industry or sector, was calculated using the following formula;

$$\text{Score} = [(actual\ value - mean) / (standard\ deviation)] * \text{Scaling Factor} + \text{Constant}$$

In cases where a lower score for an indicator was better, the inverse of the above formula was used;

$$\text{Score} = [(mean - actual\ value) / (standard\ deviation)] * \text{Scaling Factor} + \text{Constant}$$

A score for the overall economy was generated for each performance indicator using a similar formula. To provide a standardized basis for comparison, a constant was added such that the score for the overall economy would equal 100. The same constant was then added in the calculation of the industry and sector scores such that reference to the overall economy score would be 100. A scaling factor was incorporated into the scoring to produce a reasonable dispersion of scores between the lowest and highest performers. The specific scaling factor chosen for this analysis was 20.

The performance of indicators for each industry or sector were scored using five grades, ranging from A+ for those that significantly outperform to D for those that significantly underperform, compared with the average score for each industry and sector.

The specific assessment of grades corresponded to the following formula;

- A+ if score is 1.5 or more standard deviations *higher* than the average score
- A if score is > 0.67 and < 1.5 standard deviations *higher* than the average score
- B if score is >= 0 and < 0.67 standard deviations *higher* than the average score
- C if score is < =.67 standard deviations *lower* than the average score
- D if score is > .67 standard deviations *lower* than the average score

Unlike a simple ordinal ranking, such as 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> etc., this methodology ensured that the best performances all received the highest ranking. Thus, an industry or sector that really sets itself apart from the others for a particular indicator is awarded an A+, whereas the others might receive A's, B's, C's, and D's, accordingly.

By separating the performance indicators into the two categories of economic performance and financial performance, it was possible to establish benchmark comparisons at this level. The *Economic Performance Index* compares the economic performance of each industry or sector while the *Financial Performance Index* compares the financial performance of each industry or sector. The *Economic Performance Index* and the *Financial Performance Index* were calculated by adding up the scores for each performance indicator in these categories. The index values were calculated over each of the various times perspectives used in the analysis as well as the perspective of growth volatility.

Finally, the results of the *Economic Performance Index* and the *Financial Performance Index* were aggregated to form a *Composite Performance Index*, which assesses the overall economic and financial performance of each industry and sector. The *Composite Performance Index* benchmarks the overall performance of each industry and sector, against each other, and to the overall economy.



## Performance Assessment – Sector Results

The tables in this section present the results of the competitive benchmarking analysis on the sector aggregations used. Separate tables present the scores by the four temporal perspectives used in the analysis: current performance, recent performance, trend performance and volatility performance.

The first set of tables present the grades assigned to each of the economic indicators by current performance, recent performance, trend performance and volatility performance.

### Economic Indicators – Current Performance

The following table shows the grades assigned to the economic indicators over the latest full year (2006-2007).

Economic Sectors	Economic Indicators- Current Performance				
	GDP	Employment	Productivity	Taxes	Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	D	D	D	D
Mining, Oil and Gas Extraction	D	A	D	D	B
Utilities	B	A+	D	D	D
Construction	B	A	D	D	B
Manufacturing Industries	D	D	B	D	D
Wholesale and Retail Trade	A	B	B	D	D
Transportation and Warehousing	B	B	D	D	D
Finance, Insurance and Real Estate Industries, Rental and Leasing	A	B	B	D	B
Community, Business and Personal Services	B	B	D	D	B
Non-Commercial Services	B	B	D	D	D
<b>Total Tourism</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>A</b>	<b>D</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>D</b>

When looking at current performance, the tourism sector scored highly on most of its economic indicators. The sector's highest score was for taxes, specifically the growth in direct business taxes paid as a share of revenues. Meanwhile, its lowest score was for gains in average wages. Tourism surpassed the total economy for current performance. Furthermore, in comparison with other specific sectors, its score profile compares very favourably. With one A, grade, three B's and one D its grades rank near or at the top in terms of combined scores.

## Economic Indicators – Recent Performance

The following table shows the grades assigned to the economic indicators over the recent past (2004-2007),

Economic Indicators – Recent Performance					
Economic Sectors	GDP	Employment	Productivity	Taxes	Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	D	D	D	D
Mining, Oil and Gas Extraction	D	A+	D	D	A
Utilities	B	B	B	D	D
Construction	A	A	D	D	B
Manufacturing Industries	D	D	A	D	D
Wholesale and Retail Trade	A	B	B	D	D
Transportation and Warehousing	B	B	B	D	D
Finance, Insurance and Real Estate Industries, Rental and Leasing	A	B	D	D	B
Community, Business and Personal Services	B	B	D	D	B
Non-Commercial Services	B	B	D	D	B
<b>Total Tourism</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>D</b>

When looking at recent performance, the tourism sector scored well on all of the economic indicators. Tourism tied with the overall economy on two of the five indicators, and scored better than the overall economy on productivity, taxes and wages. In comparison with other specific sectors within the recent performance temporal perspective, tourism had the most consistently high performance on all five economic indicators of any of the other ten individual sectors.

## Economic Indicators – Trend Performance

The following table shows the grades assigned to the economic indicators over the long-term trend period (1999-2007).

Economic Indicators – Trend Performance					
Economic Sectors	GDP	Employment	Productivity	Taxes	Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	C	C	A	B	B
Mining, Oil and Gas Extraction	C	A+	D	C	A
Utilities	C	B	D	B	D
Construction	A	A+	C	B	C
Manufacturing Industries	C	C	B	B	C
Wholesale and Retail Trade	A	B	A	B	C
Transportation and Warehousing	B	B	B	B	D
Finance, Insurance and Real Estate Industries, Rental and Leasing	B	B	C	B	B
Community, Business and Personal Services	A	B	B	B	B
Non-Commercial Services	B	B	C	B	A
<b>Total Tourism</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>C</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>C</b>

When looking at long-term trends, the tourism sector generally scored well. In fact, it was tied with the overall economy on all five economic indicators. Furthermore, in terms of individual sector comparisons with three B grades and two C grades tourism ranked among the highest and most consistent of all eleven individual sectors.

## Economic Indicators - Volatility

The following table shows the grades assigned to the volatility witnessed in the economic indicators between 1999 and 2007.

Economic Sectors	Economic Indicators – Volatility				
	GDP	Employment	Productivity	Taxes	Wages
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	D	B	B	D
Mining, Oil and Gas Extraction	A	D	B	B	B
Utilities	B	D	D	B	A
Construction	A	A	A	B	B
Manufacturing Industries	D	A	B	B	A+
Wholesale and Retail Trade	A	A	A	B	A
Transportation and Warehousing	A	A	A	B	A
Finance, Insurance and Real Estate Industries, Rental and Leasing	A	A	A	B	A
Community, Business and Personal Services	A	A	A	B	B
Non-Commercial Services	A	A	A	B	A+
<b>Total Tourism</b>	<b>B</b>	<b>A</b>	<b>A</b>	<b>D</b>	<b>B</b>
<b>Total Economy</b>	<b>A</b>	<b>A+</b>	<b>A</b>	<b>B</b>	<b>A+</b>

Somewhat surprisingly, when looking at growth volatility over the long term, contrary to popular beliefs, the tourism sector scored well against other sectors. Not surprisingly, however, the grades for the overall economy on growth volatility are generally higher than for individual sectors.



## Economic Performance Index

The *Economic Performance Index* aggregates the values assigned to the grades for current, recent, trend and volatility performance perspectives to arrive at a total score for each perspective as well as an overall score for each sector. For comparison purposes, the score for the overall economy is set at 100. The *Economic Performance Index* suggests that the wholesale and retail trade sector achieved the strongest economic performance, just slightly ahead of finance, insurance, real estate, rental and leasing industries. Next are the construction and non-commercial services sectors, followed by tourism in sixth place. At the other end of the spectrum, primary industries generated the weakest economic performance.

Economic Sectors	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	88.9	90.5	94.5	76.3	87.5	11
Mining, Oil and Gas Extraction	99.7	100.0	98.0	81.4	94.8	8
Utilities	103.4	96.8	89.4	83.0	93.1	10
Construction	103.0	105.2	104.9	92.8	101.5	3
Manufacturing Industries	94.6	94.1	93.4	90.5	93.2	9
Wholesale and Retail Trade	103.8	105.5	106.5	98.5	103.6	1
Transportation and Warehousing	97.1	97.3	95.0	92.9	95.6	7
Finance, Insurance and Real Estate Industries, Rental and Leasing	104.5	104.2	102.6	94.9	101.6	2
Community, Business and Personal Services	102.6	103.8	104.9	94.2	101.4	4
Non-Commercial Services	100.1	100.4	101.2	100.4	100.5	5
<b>Total Tourism</b>	<b>107.5</b>	<b>106.6</b>	<b>97.6</b>	<b>89.0</b>	<b>100.2</b>	<b>6</b>
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

The next set of tables present the grades assigned to each of the financial indicators for current, recent and long-term performance, as well as growth volatility.

## Financial Indicators – Current Performance

The following table shows the grades assigned to the financial indicators over the latest full year (2006-2007).

Economic Sectors	Financial Indicators				
	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	D	B	D	C
Mining, Oil and Gas Extraction	D	A	D	D	B
Utilities	A	D	A	D	D
Construction	B	A+	D	D	B
Manufacturing Industries	B	D	A	B	A
Wholesale and Retail Trade	B	B	D	B	B
Transportation and Warehousing	B	A	D	D	B
Finance, Insurance and Real Estate Industries, Rental and Leasing	D	A	D	A	A
Community, Business and Personal Services	B	B	D	B	B
Non-Commercial Services	D	B	D	D	C
<b>Total Tourism</b>	<b>D</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>B</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>B</b>

When looking at a current performance, the tourism sector scored well on several financial indicators, but received low grades on indicators for investment and costs.

## Financial Indicators – Recent Performance

The following table shows the grades assigned to the financial indicators over the recent past (2004-2007).

Economic Sectors	Financial Indicators				
	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	D	B	D	C
Mining, Oil and Gas Extraction	B	A+	D	D	D
Utilities	A	B	D	D	B
Construction	B	A	D	D	B
Manufacturing Industries	B	D	A	D	B
Wholesale and Retail Trade	D	B	D	D	B
Transportation and Warehousing	A	B	D	B	B
Finance, Insurance and Real Estate Industries, Rental and Leasing	A	A	D	B	A
Community, Business and Personal Services	D	B	D	B	B
Non-Commercial Services	B	A	D	B	C
<b>Total Tourism</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>A</b>	<b>B</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>B</b>

When looking at recent performance, the tourism sector scored well on most financial indicators. The one low indicator grade was for operating costs.

## Financial Indicators – Trend Performance

The following table shows the grades assigned to the financial indicators over the long-term trend period (1999-2007).

Economic Sectors	Financial Indicators				
	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	D	C	C	C	C
Mining, Oil and Gas Extraction	A	C	D	B	D
Utilities	A	C	C	C	C
Construction	B	A	D	C	B
Manufacturing Industries	C	C	B	D	B
Wholesale and Retail Trade	B	A	C	C	B
Transportation and Warehousing	C	B	C	B	A
Finance, Insurance and Real Estate Industries, Rental and Leasing	B	B	B	A	A
Community, Business and Personal Services	B	A	C	B	B
Non-Commercial Services	A	B	D	A	C
<b>Total Tourism</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>A</b>	<b>B</b>
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>C</b>	<b>B</b>

When looking at long-term trends, the tourism sector scored highly on all financial indicators. In fact, it scored better than the overall economy on indicators for operating costs and profit margins.



## Financial Indicators - Volatility

The following table shows the grades assigned to the volatility witnessed in financial indicators between 1999 and 2007.

Economic Sectors	Financial Indicators				
	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	A	D	D	D	D
Mining, Oil and Gas Extraction	B	D	D	D	B
Utilities	A	D	D	D	A+
Construction	A	B	B	A	D
Manufacturing Industries	B	B	B	B	B
Wholesale and Retail Trade	A	A	A	A	D
Transportation and Warehousing	B	B	B	B	D
Finance, Insurance and Real Estate Industries, Rental and Leasing	B	B	B	B	D
Community, Business and Personal Services	A	B	B	A	D
Non-Commercial Services	A	A	A	A	D
<b>Total Tourism</b>	<b>D</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>D</b>
<b>Total Economy</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>	<b>D</b>

Surprisingly, given conventional beliefs regarding the sensitivity of tourism to external shocks, when looking at growth volatility over the long term, the tourism sector generally scored well compared with other sectors. Not surprisingly, grades for the overall economy on growth volatility are better than most individual sectors for each indicator except bankruptcies.

## Financial Performance Index

The *Financial Performance Index* totals the grades assigned to each of the financial growth indicators, by current, recent, trend and volatility performance, to arrive at an aggregate score for each temporal performance perspective, as well as an overall score. For comparison purposes, the score for the overall economy is set at 100.

The *Financial Performance Index* suggests that finance, insurance, real estate, rental and leasing industries achieved the strongest financial performance, ahead of tourism and community, business and personal services. Surprisingly, however, tourism ranked second on the overall Financial Performance Index scores in comparison with the other ten individual sectors. At the other end of the spectrum, the *Financial Performance Index* suggests that the mining, oil and gas extraction sector generated the weakest financial performance among all the benchmarked sectors.

Economic Sectors	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	91.4	91.2	93.3	88.7	91.2	9
Mining, Oil and Gas Extraction	83.6	87.2	93.3	76.8	85.2	11
Utilities	93.6	93.6	98.6	76.5	90.6	10
Construction	97.2	101.1	101.8	98.1	99.6	6
Manufacturing Industries	104.1	98.9	95.1	97.3	98.9	7
Wholesale and Retail Trade	100.8	96.0	99.6	101.9	99.6	5
Transportation and Warehousing	100.9	103.9	102.3	93.2	100.1	4
Finance, Insurance and Real Estate Industries, Rental and Leasing	106.2	105.8	109.3	94.4	103.9	1
Community, Business and Personal Services	102.8	99.6	101.6	98.2	100.6	3
Non-Commercial Services	95.9	93.9	102.1	101.3	98.3	8
<b>Total Tourism</b>	<b>102.1</b>	<b>105.6</b>	<b>106.0</b>	<b>91.1</b>	<b>101.2</b>	<b>2</b>
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Composite Performance Index

The *Composite Performance Index* averages the scores assigned to the economic and financial indicators across the four temporal performance perspectives to arrive at an aggregate score for each perspective, as well as an overall score. Once again, for comparison purposes, the score for the overall economy was set at 100.

The *Composite Performance Index* suggests that the finance, insurance, real estate, rental and leasing industries achieved the strongest performance, followed by wholesale and retail trade. Tourism ranked a respectable fourth among all twelve benchmarked sectors. At the other end of the spectrum, the *Composite Performance Index* suggests that primary industries generated the weakest performance.

Economic Sectors	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Primary Industries (Agriculture, Fishing and Trapping, Forestry)	90.1	90.9	93.9	82.5	89.3	11
Mining, Oil and Gas Extraction	91.7	93.6	95.7	79.1	90.0	10
Utilities	98.5	95.2	94.0	79.7	91.9	9
Construction	100.1	103.2	103.4	95.4	100.5	5
Manufacturing Industries	99.4	96.5	94.3	93.9	96.0	8
Wholesale and Retail Trade	102.3	100.8	103.0	100.2	101.6	2
Transportation and Warehousing	99.0	100.6	98.7	93.0	97.8	7
Finance, Insurance and Real Estate Industries, Rental and Leasing	105.3	105.0	105.9	94.7	102.7	1
Community, Business and Personal Services	102.7	101.7	103.3	96.2	101.0	3
Non-Commercial Services	98.0	97.2	101.6	100.9	99.4	6
<b>Total Tourism</b>	<b>104.8</b>	<b>106.1</b>	<b>101.8</b>	<b>90.1</b>	<b>100.7</b>	<b>4</b>
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Performance Assessment - Industry Results

The tables in this section present the results of the competitive benchmarking analysis for the industry groups analyzed in this study. Separate tables are presented for current performance, recent performance, trend performance and volatility performance.

The detailed industry level grades assigned to each of the economic and financial indicators can be found in Appendix C: Detailed Industry Indicator Grades. In addition, complete and detailed benchmark scores by industry for the *Economic Performance Index*, *Financial Performance Index* and *Composite Performance Index* can be found in Appendix D: Detailed Industry Performance Scores.

### Economic Performance Index

The *Economic Performance Index* sums the grades assigned to the various temporal perspectives of analysis (current, recent, trend and volatility) to arrive at a aggregate score for each perspectives as well as an overall score. For comparison purposes, the score for the overall economy is set at 100.

The *Economic Performance Index* suggests that the computer system design industry achieved the strongest economic performance, well ahead of residential construction. The highest scores for the tourism industries was reported for tourism accommodation. However, the *Economic Performance Index* shows a significant disparity in the performance among tourism industries, as the tourism component of the food and beverage industry ranked much lower at 18<sup>th</sup>.

Economic Industries	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
<b>Top 3 non-tourism industries</b>						
Computer System Design	117.1	117.1	131.5	75.4	110.3	1
Residential Construction	108.0	112.6	118.9	80.2	104.9	2
Wholesale Trade	107.1	110.0	107.3	93.7	104.5	3
<b>Bottom 3 non-tourism industries</b>						
Paper Manufacturing	88.6	75.8	73.4	80.1	79.5	46
Textile Products and Related Manufacturing	78.5	73.3	78.3	69.9	75.0	47
Wood Product Manufacturing	61.9	66.6	86.9	71.9	71.8	48
<b>Tourism industries</b>						
Tourism component – Transportation	110.0	105.2	94.5	77.8	96.9	14
Tourism component – Accommodation	111.6	119.5	104.5	80.6	104.0	4
Tourism component - Food and Beverage	103.5	103.1	95.9	78.4	95.2	18
Tourism component - Other Tourism Industries	102.7	98.2	92.3	91.0	96.1	15
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

The next set of tables present the specific grades assigned to each of the financial indicators, by current performance, recent performance, trend performance and volatility performance.

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#### Where Do We Rank in the Context of the Canadian Economy?



## Financial Performance Index

The *Financial Performance Index* sums the grades assigned to each of the financial indicators by current, recent, trend and volatility performance to arrive at a aggregate score for each of those temporal performance perspectives, as well as an overall score. For comparison purposes, the score for the overall economy is set at 100.

The *Financial Growth Index* suggests that chemical manufacturing achieved the strongest financial performance, just slightly ahead of tourism accommodation. Strong performance was also recorded from the tourism component segment of "other tourism industries". "Other tourism industries" are primarily comprised of recreation and entertainment. Again, there was a significant disparity in performance among tourism industries, as the tourism component of the food and beverage industry ranked much lower at 25<sup>th</sup>.

	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
<b>Economic Industries</b>						
<b>Top 3 non-tourism industries</b>						
Chemical Manufacturing	124.9	112.4	95.6	83.6	104.1	1
Non-metallic Mineral Product Manufacturing	117.5	106.5	96.0	91.7	102.9	3
Accommodation Services	107.5	116.0	107.3	80.9	102.9	4
<b>Bottom 3 non-tourism industries</b>						
Forestry and Logging	74.8	77.8	85.7	83.2	80.4	46
Wood Product Manufacturing	88.6	76.7	87.0	56.2	77.1	47
Natural Gas Extraction	75.7	92.0	109.7	29.5	76.7	48
<b>Tourism industries</b>						
Tourism component Transportation	101.0	110.2	109.2	73.9	98.6	14
Tourism component Accommodation	106.7	115.7	108.5	83.7	103.6	2
Tourism component - Food and Beverage	95.4	90.8	104.8	92.5	95.9	25
Tourism component - Other Tourism Industries	111.0	102.4	105.0	92.5	102.7	6
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Composite Performance Index

The *Composite Performance Index* averages the scores assigned to the economic and financial indicators by current, recent, trend and volatility performance to arrive at an aggregate score for each of these temporal performance perspectives, as well as an overall composite score. Once again, for comparison purposes, the score for the overall economy is set at 100.

The *Composite Performance Index* suggests that tourism accommodation achieved the strongest performance, ahead of wholesale trade. There were significant disparities in the overall performance among tourism industries, as the tourism segment of the food and beverage industry ranked 22<sup>nd</sup>.

	Various Temporal Perspectives				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
<b>Economic Industries</b>						
<b>Top 3 non-tourism industries</b>						
Wholesale Trade	104.9	104.8	103.6	97.1	102.6	2
Accommodation Services	109.0	118.9	106.2	75.0	102.3	3
Residential Construction	101.3	105.1	108.8	90.8	101.5	4
<b>Bottom 3 non-tourism industries</b>						
Pharmaceutical and Medicine Manufacturing	77.4	84.5	99.7	63.9	81.4	46
Forestry and Logging	74.7	80.7	89.3	79.1	80.9	47
Wood Product Manufacturing	75.2	71.6	87.0	64.1	74.5	48
<b>Tourism industries</b>						
Tourism component Transportation	105.5	107.7	101.9	75.8	97.7	16
Tourism component Accommodation	109.2	117.6	106.5	82.1	103.8	1
Tourism component - Food and Beverage	99.5	97.0	100.3	85.4	95.6	22
Tourism component - Other Tourism Industries	106.9	100.3	98.7	91.7	99.4	10
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Potential of International Comparisons

One of the other objectives of this study was to provide an initial assessment of the future potential of extending the domestic comparison presented in this report to include an additional international assessment. In principle, an international comparison would use the same type of benchmark methodology, depending on the availability of the data. Alternatively, it might be supplemented using a different set of indicators. By combining the domestic benchmark with the international benchmark, a true 360 degree picture of the performance of the tourism industry would emerge.

As part of our investigation for an international extension, this section of the report assesses and recommends the range of internationally comparable measures that appear, initially, to be feasible; and also, which countries can and should be included in an international comparison. This assessment also comments on the availability of relevant data and how it would need to be transformed in order to make comparisons feasible (See Appendix E for more details).

Based on an initial conceptual feasibility assessment, it appears possible to extend the current domestic tourism competitive benchmarking analysis to the international level. However, the scope of the analysis would, most likely be limited to comparisons at the tourism sector level based on the source data found in the existing World Travel and Tourism Council "simulated satellite account" data bases produce by Oxford Economics. This is because of the limitations in coverage and depth of data sources currently available for an industry level analysis within the tourism sector plus the significant challenges and relatively high costs of assembling and building a customized special purposed data base. Even then, the range of base indicator variables use in the analysis would have to be more limited than that found in the current domestic analysis. Because of the differences in both the focus and the base data that would be involved, we recommend initially developing and testing an international comparative extension in a separate stand alone study and end-product report.

Another part of our investigation of the potential for an international extension looked at the question of which countries can and should be included in an international comparison. This assessment started with a list of "competitive destinations" deemed to be competing with Canada for international travelers. Previously, the Canadian Tourism Commission (CTC) has provided this list to the Canadian Tourism Research Institute (CTRI) as a basis for the development of the Short Term Competitive Outlook report produced by CTRI.

Further research and development would be required to test the actual concept in building a prototype version of the proposed international benchmark comparison report. The actual costs involved in obtaining and using the necessary data depend on the range of countries, indicator variables and the number of years covered. They would have to be determined as a part of responding to a specific proposal for such research and development activity.

For more technical details on the potential of providing an international extension to the tourism competitive benchmarking study, please refer to Appendix E: Feasibility of Expanding the Analysis to Include International Comparisons.

## Conclusion

The foregoing analysis carried out by the Conference Board of Canada (CBoC) provides the Canadian Tourism Commission (CTC) with a report on the competitive performance of the Canadian tourism industry.

*How does the Tourism sector's vibrancy compare with other sectors of the economy?*

Overall, in terms of the relative size and relative growth of the tourism sector, the study found that the performance of Canada's tourism sector compares favorably. The current performance comparison (2006 – 2007) as well as the recent performance comparison (2004 – 2007) indicates that the tourism sector outperformed the overall economy on all five economic and financial indicators.

Overall, the study found that the performance of Canada's tourism sector also compares favorably with other broad sectors of the economy, ranking fourth overall on the broadest summary balanced composite measure of performance.

The construction sector was the best performing sector within the Economic Performance Index, finishing slightly ahead of the financial sector. Meanwhile, the tourism sector ranked fourth in terms of economic performance. At the other end of the spectrum, the primary industries sector was the weakest performer within the Economic Performance Index.

The financial sector was the best performing sector within the Financial Performance Index, ranking well ahead of other top performers like community, business and personal services, as well as the overall economy. Tourism ranked eighth in terms of financial performance. As with the Economic Performance Index, the primary industries sector was the also the lowest performing sector within the Financial Performance Index.

In terms of overall performance, the financial sector took first place in the Composite Performance Index. The sector finished ahead of construction (second place) and the wholesale and retail trade sector (third place). The tourism sector ranked fourth in overall performance. Meanwhile, the primary industries sector was the weakest performer within the Composite Performance Index.

The Economic Performance Index indicated that the tourism portion of the accommodation industry was the strongest performer among all 48 benchmarked industries. The construction industry ranked second and the Computer Systems Design industry ranked third in economic performance. There was also a significant disparity in performance among tourism industries. The tourism portion of accommodation ranked first overall, while the tourism portion of the food and beverage industry ranked 18<sup>th</sup>.

The Financial Performance Index indicated that chemical manufacturing was the strongest performer among all benchmarked industries, finishing just slightly of the tourism portion of the accommodation industry. The tourism component of "other tourism industries" was another strong performer among the tourism industries, ranking sixth overall in financial performance. Once again, there was a significant disparity among tourism industries within the Financial Performance Index; the tourism component of the food and beverage industry ranked 25<sup>th</sup>.



The Composite Performance Index indicated the tourism component of accommodation was the strongest performer overall, finishing just slightly ahead of wholesale trade (second place) and Accommodation Services (third place). Once again, individual tourism industries displayed significant disparities in terms of overall performance. The tourism component of the food and beverage industry ranked 22<sup>nd</sup> out of the 48 industries benchmarked in the index.

In summary, the performance of Canada's tourism sector compares favourably with other broad sectors of the economy, ranking fourth overall.

#### How do individual tourism industries perform?

The industry analysis revealed that not all industries within the tourism sector perform equally well. In fact, our analysis shows that the tourism component of accommodation finished first by achieving the strongest economic and financial performance, slightly ahead of accommodation services. In addition, the disparity in performance among tourism industries was also evident, as the tourism component of the food and beverage industry was ranked 22<sup>nd</sup> in the Composite Performance Index.

#### Is the tourism sector's relative performance slipping?

Contrary to popular opinion, until recently the tourism sector's overall economic performance has held up well over the past 9 years, since 1999. In fact, according to the overall Composite Performance Index, tourism was the 5<sup>th</sup> ranked sector over the long term (2007/1999) but was ranked 2<sup>nd</sup> in current performance (2007/2006) and 1<sup>st</sup> in recent performance (2007/2004).

#### Is the tourism sector more volatile than other sectors?

Once again, contrary to popular belief, the tourism sector is not really more volatile or vulnerable to external shocks than other sectors of the economy. Somewhat surprisingly, when looking at both economic and financial growth volatility over the long term, contrary to popular beliefs, the tourism sector scored relatively well against other sectors, placing in the middle of the group of 10 other sectors with which it was compared.

#### How do the composite balanced sets of comparative indices developed and presented in this analysis compare with traditional direct measures of levels and rates of change of various dimensions of tourism?

This study included presentations and comparisons of traditional discrete measures on different facets of tourism as well as other sectors and industries in terms of both levels and rates of change in measures such as GDP and employment. In general, using these traditional forms of standard discrete continuous variable analysis used to assess the levels and performance on industries and sectors, tourism does not attract much attention for being either a particularly strong or weak performer within the economy at either the sector or industry specific levels of analysis.

Using the broad multi-dimensional and balanced composite scorecard approach presented in this report, however; tourism emerges as one of the stronger and most consistent growth performers in the economy when measured over a broad range of both economic and financial indicators.

Could the comparison of the Tourism Sector's relative performance be extended to include comparisons with other international competitors?

A preliminary assessment of examining the possibility to extend this domestic comparative analysis to a similar comparison with other countries were mixed. An extension to include overall tourism sectors of other national destination competitors does appear feasible in terms of the availability of suitable data sources. However, extending the analysis to include an international comparisons for individual component tourism industries does not appear feasible given the current unavailability of high quality, consistent and comparable international data at this level.

It is recommended that the next step in determining the feasibility for an international comparison would involve the development of a prototype comparison analysis starting with a competitive set of countries that already possess suitable data sources.

With respect to the domestic industry comparison analysis presented in this report, it is recommended that the sector level balanced composite performance index analysis be adopted as the primary frame of analysis to provide an integrated report card view of the relative performance of the Canadian tourism sector with other Canadian economic sectors. The composite index scale provides the best overall balance of strong and consistent performance over a broad range of economic and financial measures.

Futhermore, the sector level comparison provides the clearest and most coherent summary overview of this complex and complicated subject. That said, however, it could also be useful to retain the more detailed industry level analysis to reveal, on an ongoing basis, the substantial heterogeneity of performance of the individual industries within the sector in response to changing macro- and micro-economic business conditions as well as external non-economic shocks.

So what is the take away value of this analysis to various tourism stakeholder audiences?

For the private sector, the results suggest the tourism sector is a solid and consistent performer, ranking well and faring generally as well as most traditional sectors of the economy. In addition, contrary to popular belief, tourism was found to be no more volatile or vulnerable to external shocks than most other sectors of the economy. For these reasons, the tourism sector appears worthy of further private sector investment considerations.

For the public sector, in general, the results of the analysis confirm that the tourism is a steady positive performing sector of the economy with aggregate growth rates that generally exceed the overall economy. This is particular true in terms of employment growth. On the other hand, the results confirm that in a highly diversified economy like Canada's, tourism is unlikely to generate either the strongest economic or financial performance, particularly over the short period. However, when viewed from a public risk investment perspective, the tourism sector delivers stable and relatively consistent performance over the longer term. Many other traditional sectors of the Canadian economy and many "one-time" star performers in the economy show much less consistency in their performance—some losing as much, if not more, of previous gains during widespread and extended downturns, such as that found in the current economic environment. For these reasons, the tourism sector appears worthy of further public sector investment considerations.

For the CTC, its shareholder and partners, the results confirm that that the tourism sector is consistently a vibrant and significant engine of growth. It ranks fourth overall in comparison with

other sectors on a balanced composite measure of multi-factor performance, and also contributes significantly in terms of its relative share of GDP, employment and investment in Canada's complex and highly diversified economy. For these reasons, the tourism sector warrants government attention and collaborative action among various levels of government and private sector partners to foster continued long-term growth.

## Appendix A: Detailed Industry Indicator Measures

Economic Indicators – 2007 levels

Economic Industries	GDP (\$millions)	Employment ('000s)	Productivity (\$ '000s GDP /employee)	Taxes (\$millions)	Wages (Avg. weekly wage-incl. overtime)
Agriculture, Fishing, Hunting, Trapping and Support Activities	21,856	338	65	454	950
Forestry and Logging	5,269	39	134	(10)	977
Crude Oil Extraction	22,201	51	437	6,094	1,697
Natural Gas Extraction	20,959	30	696	6,094	1,697
Mining except Oil and Gas Extraction	9,635	59	164	1,102	1,213
Total Utilities	31,269	138	227	206	1,127
Residential Construction	23,898	479	50	3,719	858
Non-Residential Construction	11,615	264	44	3,719	996
Food Manufacturing	18,999	259	73	1,545	817
Textile Products and Related Manufacturing	4,172	97	43	4	690
Wood Product Manufacturing	11,214	147	77	(530)	825
Paper Manufacturing	10,187	87	117	(121)	998
Printing and Related Support Activities	5,499	92	60	172	868
Petroleum and Coal Products Manufacturing	3,311	19	179	3,519	1,239
Chemical Manufacturing	11,837	64	187	1,299	1,044
Pharmaceutical and Medicine Manufacturing	4,065	44	92	484	974
Plastics and Rubber Products Manufacturing	9,686	121	80	433	817
Non-metallic Mineral Product Manufacturing	6,081	57	107	774	839
Fabricated Metal Product Manufacturing	14,460	177	82	928	906
Machinery Manufacturing	14,308	123	116	928	1,065
Computer and Electronic Product Manufacturing	7,116	111	64	1,061	1,075
Electrical Equipment, Appliance and Component Manufacturing	3,153	47	67	266	979
Motor Vehicle Manufacturing	14,069	73	193	1,166	1,405
Motor Vehicle Parts Manufacturing	9,350	107	87	318	1,026
Aerospace Product Manufacturing	6,604	51	131	217	1,265
Furniture and Related Product Manufacturing	5,442	109	50	141	860
Wholesale Trade	71,286	1,254	57	5,228	913
Retail Trade	72,428	2,055	35	3,766	486
Air Transportation	5,210	63	83	316	922
Other Transportation	34,181	620	55	1,189	772
Publishing	10,001	86	116	431	1,001
Telecommunications	25,583	163	157	890	1,049
Insurance	20,460	242	85	3,487	1,012
Insurance Carriers	14,980	158	95	1,558	1,052
Insurance Brokers	5,480	84	65	1,901	954
Renting, Leasing and Related	11,606	73	159	456	685
Real Estate	142,561	231	616	3,912	718
Professional, Scientific and Technical Services	57,805	2,274	25	3,545	984
Computer System Design	14,006	261	54	3,545	1,221
Administrative and Support Services	30,881	1,395	22	1,092	638
Educational, Healthcare and Social Assistance Services	135,979	3,028	45	1,138	754
Accommodation Services	10,082	204	49	598	459
Food Services	17,626	864	20	249	294
Repair and Maintenance	18,787	492	38	354	706
Tourism - Transportation	6,687	84	80	231	786
Tourism - Accommodation	6,460	168	38	364	459
Tourism - Food and Beverage	3,051	157	19	42	294
Tourism - Other	3,944	116	34	196	772
<b>Total Economy</b>	<b>1,220,813</b>	<b>16,865</b>	<b>72</b>	<b>61,570</b>	<b>771</b>



# Financial Indicators – 2007 Levels

Economic Industries	Investment (\$millions)	Revenues (\$millions)	Costs (\$millions)	Profits (\$millions)	Bankruptcies (businesses)
Agriculture, Fishing, Hunting, Trapping and Support Activities	4,444	33,275	32,287	989	N/A
Forestry and Logging	260	9,879	9,987	(108)	N/A
Crude Oil Extraction	17,110	18,963	14,696	2,266	N/A
Natural Gas Extraction	28,174	12,316	11,261	1,054	N/A
Mining except Oil and Gas Extraction	6,137	28,585	24,412	4,173	N/A
Total Utilities	18,951	264,898	264,122	776	N/A
Residential Construction	2,273	25,991	25,068	922	N/A
Non-Residential Construction	1,013	11,443	11,093	351	N/A
Food Manufacturing	1,795	18,655	17,901	754	N/A
Textile Products and Related Manufacturing	256	9,547	9,461	86	N/A
Wood Product Manufacturing	1,520	9,733	9,921	(188)	N/A
Paper Manufacturing	1,279	7,989	8,134	(144)	N/A
Printing and Related Support Activities	347	10,720	10,597	123	N/A
Petroleum and Coal Products Manufacturing	3,351	66,498	58,042	8,456	N/A
Chemical Manufacturing	1,762	41,630	37,353	4,277	N/A
Pharmaceutical and Medicine Manufacturing	555	9,637	9,181	456	N/A
Plastics and Rubber Products Manufacturing	1,181	25,990	25,021	969	N/A
Non-metallic Mineral Product Manufacturing	965	15,231	13,383	1,848	N/A
Fabricated Metal Product Manufacturing	836	36,867	34,937	1,929	N/A
Machinery Manufacturing	772	32,782	31,960	822	N/A
Computer and Electronic Product Manufacturing	714	8,548	7,943	605	N/A
Electrical Equipment, Appliance and Component Manufacturing	202	10,619	10,145	474	N/A
Motor Vehicle Manufacturing	2,257	23,915	24,023	(108)	N/A
Motor Vehicle Parts Manufacturing	1,182	7,136	6,696	440	N/A
Aerospace Product Manufacturing	319	3,716	3,586	130	N/A
Furniture and Related Product Manufacturing	212	13,929	13,585	344	N/A
Wholesale Trade	6,315	470,540	454,914	15,626	N/A
Retail Trade	7,973	425,715	413,177	12,537	N/A
Air Transportation	2,309	3,643	3,483	160	N/A
Other Transportation	9,789	68,698	64,711	3,987	N/A
Publishing	345	18,248	16,587	1,661	N/A
Telecommunications	8,014	12,855	11,228	1,627	N/A
Insurance	875	99,624	84,828	14,796	N/A
Insurance Carriers	305	90,278	76,744	13,534	N/A
Insurance Brokers	570	9,346	8,078	1,269	N/A
Renting, Leasing and Related	19,864	19,047	18,025	1,022	N/A
Real Estate	5,891	48,177	43,857	4,320	N/A
Professional, Scientific and Technical Services	4,754	101,149	97,066	4,083	N/A
Computer System Design	578	6,611	6,125	485	N/A
Administrative and Support Services	1,515	68,556	65,651	2,905	N/A
Educational, Healthcare and Social Assistance Services	14,538	34,499	30,312	4,187	N/A
Accommodation Services	1,584	3,035	2,792	243	N/A
Food Services	1,228	12,521	12,320	201	N/A
Repair and Maintenance	1,049	28,751	27,517	1,234	N/A
Tourism - Transportation	3,002	3,614	3,450	164	N/A
Tourism - Accommodation	979	2,082	1,915	166	N/A
Tourism - Food and Beverage	215	1,799	1,770	29	N/A
Tourism - Other	718	2,380	2,268	112	N/A
<b>Total Economy</b>	<b>236,860</b>	<b>3,019,503</b>	<b>2,825,822</b>	<b>193,680</b>	<b>6,293</b>

## Appendix B: Detailed Industry Indicator Growth

### Economic Indicators – Current Growth (2006-2007)

Economic Industries	GDP	Employment	Productivity	Taxes* (as a share of revenues)	Avg. Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	-2.3%	-0.9%	-1.4%	-0.1%	5.1%
Forestry and Logging	-10.5%	-3.1%	-7.6%	-0.5%	1.7%
Crude Oil Extraction	0.5%	5.4%	1.2%	3.0%	4.9%
Natural Gas Extraction	-0.5%	-0.8%	0.2%	5.6%	4.9%
Mining except Oil and Gas Extraction	8.3%	-1.3%	10.0%	0.0%	7.3%
Total Utilities	3.9%	13.0%	-8.1%	-0.1%	3.6%
Residential Construction	2.7%	5.3%	-2.4%	2.1%	6.8%
Non-Residential Construction	2.6%	5.2%	-2.4%	3.8%	0.2%
Food Manufacturing	2.2%	1.4%	0.7%	2.3%	7.3%
Textile Products and Related Manufacturing	-9.0%	-5.6%	-3.5%	-0.9%	2.6%
Wood Product Manufacturing	-10.7%	-12.0%	1.5%	-12.1%	0.6%
Paper Manufacturing	-3.8%	-7.5%	3.9%	-3.2%	4.6%
Printing and Related Support Activities	-2.9%	1.1%	-3.6%	0.6%	0.5%
Petroleum and Coal Products Manufacturing	-2.3%	12.8%	-13.9%	0.6%	-3.2%
Chemical Manufacturing	-2.9%	6.9%	-9.8%	0.6%	-1.8%
Pharmaceutical and Medicine Manufacturing	-4.7%	0.9%	-6.2%	-1.2%	-2.0%
Plastics and Rubber Products Manufacturing	-4.6%	-7.6%	3.1%	0.1%	6.2%
Non-metallic Mineral Product Manufacturing	5.3%	-11.1%	18.3%	1.4%	0.8%
Fabricated Metal Product Manufacturing	2.8%	-4.1%	7.4%	-0.1%	4.7%
Machinery Manufacturing	2.6%	-0.3%	2.8%	-0.1%	0.7%
Computer and Electronic Product Manufacturing	4.3%	2.6%	1.6%	0.6%	4.4%
Electrical Equipment, Appliance and Component Manufacturing	-0.2%	-1.8%	1.6%	0.4%	7.9%
Motor Vehicle Manufacturing	-5.1%	-10.6%	6.5%	0.7%	3.8%
Motor Vehicle Parts Manufacturing	-2.2%	-10.7%	9.4%	-0.1%	6.5%
Aerospace Product Manufacturing	5.4%	-4.4%	10.3%	2.1%	2.1%
Furniture and Related Product Manufacturing	2.8%	0.1%	2.7%	-0.1%	3.0%
Wholesale Trade	5.6%	2.9%	2.6%	0.0%	4.4%
Retail Trade	5.9%	1.6%	4.2%	0.0%	0.9%
Air Transportation	6.9%	3.2%	3.6%	14.2%	3.5%
Other Transportation	1.1%	3.0%	-1.8%	0.0%	2.1%
Publishing	5.5%	-1.5%	6.4%	1.6%	3.3%
Telecommunications	2.5%	-1.6%	4.1%	-0.5%	4.3%
Insurance	-1.4%	1.8%	-3.2%	0.2%	5.1%
Insurance Carriers	-0.9%	6.4%	-7.0%	0.5%	3.9%
Insurance Brokers	-2.6%	-5.7%	3.2%	-3.3%	7.1%
Renting, Leasing and Related	4.5%	4.8%	-0.4%	0.0%	1.7%
Real Estate	3.6%	0.7%	2.8%	3.9%	6.6%
Professional, Scientific and Technical Services	3.4%	4.3%	-0.8%	1.3%	2.2%
Computer System Design	3.5%	0.9%	2.6%	19.9%	1.1%
Administrative and Support Services	3.2%	1.7%	1.5%	0.2%	6.0%
Educational, Healthcare and Social Assistance Services	2.9%	2.9%	0.1%	0.1%	2.8%
Accommodation Services	1.3%	5.5%	-3.8%	9.1%	5.5%
Food Services	1.1%	5.2%	-3.9%	-0.7%	7.3%
Repair and Maintenance	2.9%	4.2%	-1.2%	-0.1%	5.5%
Tourism - Transportation	4.1%	2.6%	1.5%	9.4%	2.3%
Tourism - Accommodation	2.8%	2.7%	0.1%	7.8%	5.5%
Tourism - Food and Beverage	1.1%	4.1%	-2.8%	-0.8%	7.3%
Tourism - Other	4.1%	1.1%	2.9%	2.1%	2.1%
<b>Total Economy</b>	<b>2.5%</b>	<b>2.3%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>3.2%</b>

# Economic Indicators – Recent Growth (2004-2007)

Economic Industries	GDP	Employment	Productivity	Taxes* (as a share of revenues)	Avg. Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	-0.6%	0.9%	-1.6%	0.2%	9.2%
Forestry and Logging	-14.6%	-24.0%	12.6%	-1.1%	9.4%
Crude Oil Extraction	9.1%	34.6%	-18.8%	-2.3%	16.3%
Natural Gas Extraction	1.3%	25.6%	-19.3%	2.8%	16.3%
Mining except Oil and Gas Extraction	4.5%	21.4%	-13.7%	-0.7%	9.2%
Total Utilities	7.5%	3.6%	3.9%	-0.2%	6.1%
Residential Construction	9.4%	10.4%	-1.0%	5.7%	19.3%
Non-Residential Construction	9.4%	16.1%	-5.9%	12.5%	4.8%
Food Manufacturing	10.0%	-5.5%	16.3%	1.0%	16.5%
Textile Products and Related Manufacturing	-26.8%	-28.1%	1.5%	-0.8%	10.8%
Wood Product Manufacturing	-12.7%	-21.3%	10.9%	-16.5%	1.7%
Paper Manufacturing	-15.3%	-16.0%	0.9%	-2.2%	3.9%
Printing and Related Support Activities	-9.9%	-18.8%	11.3%	-0.1%	11.1%
Petroleum and Coal Products Manufacturing	-4.0%	5.5%	-8.5%	-1.3%	7.6%
Chemical Manufacturing	0.6%	-5.2%	6.6%	-0.6%	2.6%
Pharmaceutical and Medicine Manufacturing	2.6%	-11.5%	15.9%	-1.5%	6.6%
Plastics and Rubber Products Manufacturing	-3.8%	-12.8%	10.3%	0.0%	5.4%
Non-metallic Mineral Product Manufacturing	11.5%	-12.4%	27.2%	0.8%	0.7%
Fabricated Metal Product Manufacturing	7.0%	0.7%	6.4%	0.1%	9.3%
Machinery Manufacturing	13.9%	-10.9%	27.6%	0.0%	9.1%
Computer and Electronic Product Manufacturing	8.4%	9.1%	-1.3%	5.9%	10.9%
Electrical Equipment, Appliance and Component Manufacturing	-0.7%	-2.3%	0.6%	0.3%	15.5%
Motor Vehicle Manufacturing	-8.2%	-8.6%	0.6%	3.8%	4.5%
Motor Vehicle Parts Manufacturing	-6.5%	-23.0%	21.2%	-3.2%	6.2%
Aerospace Product Manufacturing	18.7%	-4.6%	24.8%	3.9%	6.3%
Furniture and Related Product Manufacturing	-3.3%	-13.8%	12.6%	-0.1%	12.2%
Wholesale Trade	18.0%	7.5%	9.6%	0.1%	13.6%
Retail Trade	15.5%	6.8%	8.1%	0.1%	7.0%
Air Transportation	29.8%	7.5%	20.4%	6.9%	5.7%
Other Transportation	7.0%	0.7%	6.2%	-0.1%	6.9%
Publishing	9.1%	1.1%	8.0%	1.1%	14.6%
Telecommunications	11.4%	6.8%	4.3%	-3.2%	17.0%
Insurance	0.5%	7.6%	-6.7%	0.6%	12.2%
Insurance Carriers	0.7%	0.2%	0.3%	0.5%	11.1%
Insurance Brokers	-0.1%	24.8%	-20.2%	0.0%	13.9%
Renting, Leasing and Related	15.1%	-4.2%	20.3%	-1.0%	13.3%
Real Estate	10.9%	14.7%	-3.4%	4.6%	12.7%
Professional, Scientific and Technical Services	10.9%	11.6%	-0.6%	1.7%	6.0%
Computer System Design	12.1%	7.0%	4.7%	28.3%	2.8%
Administrative and Support Services	13.0%	11.4%	1.5%	0.3%	13.9%
Educational, Healthcare and Social Assistance Services	8.5%	9.4%	-0.8%	0.4%	10.3%
Accommodation Services	13.1%	5.9%	6.9%	13.5%	19.5%
Food Services	4.8%	5.4%	-0.5%	-0.3%	15.2%
Repair and Maintenance	8.7%	5.6%	2.9%	0.2%	12.7%
Tourism - Transportation	14.5%	5.7%	8.4%	4.7%	6.9%
Tourism - Accommodation	11.4%	4.2%	6.9%	12.3%	19.5%
Tourism - Food and Beverage	6.9%	8.4%	-1.4%	-0.2%	15.2%
Tourism - Other	8.6%	5.6%	2.8%	0.9%	6.9%
<b>Total Economy</b>	<b>8.4%</b>	<b>5.7%</b>	<b>2.5%</b>	<b>0.2%</b>	<b>9.7%</b>

## Economic Indicators – Trend Growth (1999-2007)

Economic Industries	GDP	Employment	Productivity	Taxes <sup>a</sup> (as a share of revenues)	Avg. Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	-5.1%	-15.8%	12.7%	0.5%	22.4%
Forestry and Logging	-1.5%	-34.2%	50.0%	-1.1%	26.7%
Crude Oil Extraction	28.9%	98.4%	-35.1%	-14.4%	27.2%
Natural Gas Extraction	1.2%	59.6%	-36.7%	-11.0%	27.2%
Mining except Oil and Gas Extraction	16.6%	-6.2%	24.4%	0.5%	16.7%
Total Utilities	10.6%	21.0%	-8.5%	-0.4%	10.6%
Residential Construction	65.5%	56.8%	5.6%	-0.5%	35.1%
Non-Residential Construction	15.9%	11.2%	4.3%	10.2%	19.8%
Food Manufacturing	22.0%	14.0%	7.0%	1.4%	32.8%
Textile Products and Related Manufacturing	-35.1%	-44.9%	18.0%	-1.4%	36.0%
Wood Product Manufacturing	9.7%	-4.8%	15.4%	-16.7%	11.0%
Paper Manufacturing	-11.2%	-25.8%	19.9%	-10.7%	4.8%
Printing and Related Support Activities	5.1%	-14.6%	23.0%	-0.1%	25.3%
Petroleum and Coal Products Manufacturing	8.6%	11.9%	-2.6%	-0.8%	16.3%
Chemical Manufacturing	14.5%	-14.2%	34.5%	-0.9%	12.8%
Pharmaceutical and Medicine Manufacturing	73.0%	17.3%	47.4%	0.4%	5.8%
Plastics and Rubber Products Manufacturing	19.6%	-3.4%	23.7%	-0.8%	14.4%
Non-metallic Mineral Product Manufacturing	39.9%	0.9%	38.9%	0.2%	11.6%
Fabricated Metal Product Manufacturing	26.3%	11.2%	13.9%	-2.2%	18.1%
Machinery Manufacturing	29.0%	9.3%	17.9%	-2.6%	23.5%
Computer and Electronic Product Manufacturing	-24.8%	-12.0%	-14.4%	-6.1%	19.9%
Electrical Equipment, Appliance and Component Manufacturing	-17.8%	-23.5%	6.3%	-0.7%	20.2%
Motor Vehicle Manufacturing	-11.5%	-11.7%	0.5%	-4.1%	17.1%
Motor Vehicle Parts Manufacturing	-1.7%	-12.3%	12.2%	-7.6%	9.7%
Aerospace Product Manufacturing	13.7%	-7.8%	23.1%	-5.7%	28.2%
Furniture and Related Product Manufacturing	7.5%	2.2%	5.6%	-2.0%	44.5%
Wholesale Trade	48.0%	18.5%	24.9%	0.2%	20.3%
Retail Trade	48.0%	21.8%	21.6%	0.3%	15.3%
Air Transportation	14.7%	-12.9%	31.5%	3.1%	2.9%
Other Transportation	22.0%	12.6%	8.3%	0.3%	14.3%
Publishing	27.9%	8.6%	17.9%	-0.5%	27.0%
Telecommunications	56.4%	-2.3%	59.8%	-7.4%	22.4%
Insurance	9.6%	22.7%	-10.7%	1.2%	21.9%
Insurance Carriers	7.1%	26.4%	-15.2%	0.0%	19.2%
Insurance Brokers	18.3%	16.3%	1.8%	11.6%	27.4%
Renting, Leasing and Related	60.2%	12.0%	43.0%	0.2%	23.7%
Real Estate	28.3%	29.7%	-1.0%	3.8%	25.5%
Professional, Scientific and Technical Services	38.9%	26.3%	10.0%	2.1%	18.4%
Computer System Design	77.0%	21.7%	45.3%	32.3%	17.1%
Administrative and Support Services	47.8%	39.6%	5.9%	0.3%	28.9%
Educational, Healthcare and Social Assistance Services	19.1%	25.8%	-5.4%	1.1%	27.0%
Accommodation Services	21.5%	10.0%	10.5%	11.1%	29.7%
Food Services	13.7%	18.6%	-4.2%	-1.8%	24.0%
Repair and Maintenance	29.5%	7.3%	20.7%	0.4%	26.5%
Tourism - Transportation	11.8%	0.1%	11.7%	1.3%	12.1%
Tourism - Accommodation	21.4%	7.2%	13.3%	9.5%	29.7%
Tourism - Food and Beverage	10.3%	16.2%	-5.1%	-1.0%	24.0%
Tourism - Other	14.3%	17.3%	-2.6%	0.9%	14.3%
<b>Total Economy</b>	<b>25.6%</b>	<b>17.0%</b>	<b>7.3%</b>	<b>0.0%</b>	<b>20.3%</b>



# Financial Indicators – Current Growth (2006-2007)

Economic Industries	Investment	Revenue	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	0.1%	3.5%	4.2%	-0.6%	N/A
Forestry and Logging	-24.3%	-7.6%	-4.8%	-3.3%	N/A
Crude Oil Extraction	3.8%	4.0%	8.7%	-3.9%	N/A
Natural Gas Extraction	-4.6%	0.5%	6.0%	-4.8%	N/A
Mining except Oil and Gas Extraction	18.2%	5.7%	5.6%	0.1%	N/A
Total Utilities	22.6%	-4.2%	-4.0%	-0.2%	N/A
Residential Construction	4.5%	8.8%	10.0%	-1.1%	N/A
Non-Residential Construction	7.8%	12.3%	13.5%	-1.1%	N/A
Food Manufacturing	16.0%	5.9%	5.4%	0.5%	N/A
Textile Products and Related Manufacturing	4.8%	-11.4%	-10.9%	-0.6%	N/A
Wood Product Manufacturing	2.7%	-14.6%	-12.4%	-2.6%	N/A
Paper Manufacturing	2.8%	-4.1%	-3.4%	-0.7%	N/A
Printing and Related Support Activities	-14.2%	-1.4%	-1.0%	-0.3%	N/A
Petroleum and Coal Products Manufacturing	5.9%	8.6%	8.3%	0.3%	N/A
Chemical Manufacturing	42.8%	-2.7%	-5.3%	2.5%	N/A
Pharmaceutical and Medicine Manufacturing	-0.7%	-6.2%	-1.0%	-4.9%	N/A
Plastics and Rubber Products Manufacturing	18.4%	-6.5%	-6.7%	0.2%	N/A
Non-metallic Mineral Product Manufacturing	25.7%	9.2%	6.3%	2.4%	N/A
Fabricated Metal Product Manufacturing	4.7%	4.1%	3.9%	0.1%	N/A
Machinery Manufacturing	10.3%	4.3%	4.5%	-0.2%	N/A
Computer and Electronic Product Manufacturing	32.6%	2.6%	0.4%	2.0%	N/A
Electrical Equipment, Appliance and Component Manufacturing	-9.8%	0.9%	-0.1%	1.0%	N/A
Motor Vehicle Manufacturing	-18.3%	-5.1%	-5.6%	0.6%	N/A
Motor Vehicle Parts Manufacturing	-14.6%	-6.3%	-6.9%	0.6%	N/A
Aerospace Product Manufacturing	5.4%	4.2%	4.4%	-0.2%	N/A
Furniture and Related Product Manufacturing	12.9%	4.3%	4.5%	-0.2%	N/A
Wholesale Trade	11.0%	4.1%	3.8%	0.3%	N/A
Retail Trade	4.0%	7.8%	7.3%	0.4%	N/A
Air Transportation	-5.6%	8.1%	6.8%	1.1%	N/A
Other Transportation	-0.5%	5.4%	6.5%	-0.9%	N/A
Publishing	-18.0%	5.4%	1.8%	3.2%	N/A
Telecommunications	4.7%	6.6%	5.4%	1.1%	N/A
Insurance	8.1%	1.1%	-0.3%	1.1%	N/A
Insurance Carriers	0.0%	0.6%	-0.9%	1.3%	N/A
Insurance Brokers	12.9%	6.0%	6.7%	-0.6%	N/A
Renting, Leasing and Related	8.2%	5.7%	7.5%	-1.6%	N/A
Real Estate	12.7%	10.7%	9.1%	1.3%	N/A
Professional, Scientific and Technical Services	16.9%	6.2%	5.9%	0.2%	N/A
Computer System Design	8.4%	8.7%	8.4%	0.2%	N/A
Administrative and Support Services	15.3%	6.6%	6.2%	0.4%	N/A
Educational, Healthcare and Social Assistance Services	2.8%	6.4%	6.6%	-0.2%	N/A
Accommodation Services	4.1%	4.5%	2.1%	2.1%	N/A
Food Services	2.2%	3.6%	4.5%	-0.6%	N/A
Repair and Maintenance	-2.9%	0.7%	1.0%	-0.2%	N/A
Tourism - Transportation	0.1%	6.4%	5.3%	0.9%	N/A
Tourism - Accommodation	2.2%	6.0%	3.6%	2.1%	N/A
Tourism - Food and Beverage	2.2%	3.9%	4.6%	-0.6%	N/A
Tourism - Other	31.2%	5.2%	4.8%	0.3%	N/A
<b>Total Economy</b>	<b>6.8%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>0.0%</b>	<b>-6.7%</b>

## Financial Indicators – Recent Growth (2004-2007)

Economic Industries	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	-8.8%	12.8%	11.3%	1.3%	N/A
Forestry and Logging	-32.0%	-4.4%	-0.4%	-4.4%	N/A
Crude Oil Extraction	41.8%	34.8%	31.8%	2.0%	N/A
Natural Gas Extraction	44.9%	19.6%	27.6%	-5.8%	N/A
Mining except Oil and Gas Extraction	74.2%	27.9%	20.4%	5.4%	N/A
Total Utilities	46.2%	16.6%	23.2%	-5.4%	N/A
Residential Construction	18.6%	28.3%	27.2%	0.9%	N/A
Non-Residential Construction	21.1%	31.1%	29.9%	0.9%	N/A
Food Manufacturing	18.0%	12.4%	11.6%	0.7%	N/A
Textile Products and Related Manufacturing	-7.2%	-29.0%	-28.6%	-0.5%	N/A
Wood Product Manufacturing	14.5%	-11.9%	-1.3%	-10.9%	N/A
Paper Manufacturing	-6.3%	-10.5%	-8.8%	-1.8%	N/A
Printing and Related Support Activities	5.9%	-8.4%	-6.0%	-2.5%	N/A
Petroleum and Coal Products Manufacturing	59.8%	45.4%	45.6%	-0.1%	N/A
Chemical Manufacturing	52.5%	8.4%	3.3%	4.5%	N/A
Pharmaceutical and Medicine Manufacturing	-8.0%	8.6%	19.2%	-8.6%	N/A
Plastics and Rubber Products Manufacturing	15.4%	0.8%	0.8%	0.0%	N/A
Non-metallic Mineral Product Manufacturing	41.2%	23.4%	19.1%	3.2%	N/A
Fabricated Metal Product Manufacturing	0.1%	10.8%	8.9%	1.7%	N/A
Machinery Manufacturing	14.7%	16.5%	18.1%	-1.3%	N/A
Computer and Electronic Product Manufacturing	49.5%	5.7%	1.4%	3.9%	N/A
Electrical Equipment, Appliance and Component Manufacturing	-4.2%	11.5%	9.1%	2.1%	N/A
Motor Vehicle Manufacturing	-2.1%	-8.2%	-7.7%	-0.5%	N/A
Motor Vehicle Parts Manufacturing	8.4%	-3.4%	-3.7%	0.3%	N/A
Aerospace Product Manufacturing	9.8%	5.1%	4.6%	0.4%	N/A
Furniture and Related Product Manufacturing	-11.4%	4.1%	5.3%	-1.1%	N/A
Wholesale Trade	33.6%	19.4%	18.9%	0.4%	N/A
Retail Trade	-4.8%	17.9%	16.6%	1.1%	N/A
Air Transportation	14.5%	38.6%	29.3%	6.8%	N/A
Other Transportation	31.9%	27.4%	26.2%	0.9%	N/A
Publishing	-13.1%	24.7%	18.5%	4.7%	N/A
Telecommunications	-2.9%	24.9%	12.2%	9.8%	N/A
Insurance	22.6%	11.0%	8.3%	2.2%	N/A
Insurance Carriers	41.7%	10.1%	7.3%	2.3%	N/A
Insurance Brokers	14.4%	20.7%	18.9%	1.3%	N/A
Renting, Leasing and Related	53.3%	10.4%	6.0%	3.9%	N/A
Real Estate	50.0%	27.8%	25.4%	1.7%	N/A
Professional, Scientific and Technical Services	20.8%	20.0%	18.3%	1.4%	N/A
Computer System Design	-42.0%	12.4%	6.5%	5.1%	N/A
Administrative and Support Services	25.8%	25.7%	23.7%	1.6%	N/A
Educational, Healthcare and Social Assistance Services	23.1%	29.5%	27.9%	1.1%	N/A
Accommodation Services	66.8%	23.9%	16.3%	6.0%	N/A
Food Services	-13.4%	13.0%	12.3%	0.6%	N/A
Repair and Maintenance	-7.0%	8.5%	7.1%	1.2%	N/A
Tourism - Transportation	25.6%	26.5%	18.6%	6.3%	N/A
Tourism - Accommodation	64.2%	22.1%	14.6%	6.0%	N/A
Tourism - Food and Beverage	-13.4%	15.2%	14.4%	0.6%	N/A
Tourism - Other	19.7%	11.1%	8.0%	2.7%	N/A
<b>Total Economy</b>	<b>28.2%</b>	<b>17.5%</b>	<b>16.2%</b>	<b>1.0%</b>	<b>-22.5%</b>

# Financial Indicators – Trend Growth (1999-2007)

Economic Industries	Investment	Revenues	Costs	Profit Margins	Employment
Agriculture, Fishing, Hunting, Trapping and Support Activities	-13.0%	97.4%	82.7%	7.9%	N/A
Forestry and Logging	-41.3%	29.1%	33.3%	-3.5%	N/A
Crude Oil Extraction	140.5%	239.7%	204.5%	10.6%	N/A
Natural Gas Extraction	231.8%	196.4%	178.7%	6.5%	N/A
Mining except Oil and Gas Extraction	122.1%	60.5%	38.6%	13.6%	N/A
Total Utilities	125.9%	115.3%	114.1%	0.5%	N/A
Residential Construction	61.3%	128.2%	126.2%	0.9%	N/A
Non-Residential Construction	6.2%	50.7%	49.0%	1.1%	N/A
Food Manufacturing	1.6%	36.4%	36.9%	-0.3%	N/A
Textile Products and Related Manufacturing	-57.1%	-36.4%	-34.8%	-2.4%	N/A
Wood Product Manufacturing	39.9%	21.9%	33.5%	-8.8%	N/A
Paper Manufacturing	-39.1%	-8.7%	-4.0%	-5.0%	N/A
Printing and Related Support Activities	3.8%	2.7%	5.5%	-2.8%	N/A
Petroleum and Coal Products Manufacturing	262.0%	211.5%	196.7%	4.8%	N/A
Chemical Manufacturing	-35.6%	43.1%	35.1%	5.3%	N/A
Pharmaceutical and Medicine Manufacturing	75.0%	88.5%	96.1%	-3.6%	N/A
Plastics and Rubber Products Manufacturing	10.0%	23.1%	26.8%	-2.8%	N/A
Non-metallic Mineral Product Manufacturing	29.8%	57.8%	53.5%	2.4%	N/A
Fabricated Metal Product Manufacturing	-14.1%	33.5%	32.6%	0.6%	N/A
Machinery Manufacturing	9.1%	35.0%	37.2%	-1.5%	N/A
Computer and Electronic Product Manufacturing	-42.3%	-2.5%	0.3%	-2.6%	N/A
Electrical Equipment, Appliance and Component Manufacturing	-55.0%	1.3%	5.2%	-3.5%	N/A
Motor Vehicle Manufacturing	-9.9%	-13.9%	-8.3%	-6.2%	N/A
Motor Vehicle Parts Manufacturing	-5.8%	6.6%	7.6%	-0.9%	N/A
Aerospace Product Manufacturing	-1.6%	-1.6%	4.4%	-5.6%	N/A
Furniture and Related Product Manufacturing	-33.5%	26.7%	32.8%	-4.5%	N/A
Wholesale Trade	67.8%	55.8%	53.7%	1.3%	N/A
Retail Trade	69.3%	58.9%	57.3%	1.0%	N/A
Air Transportation	-31.9%	13.6%	9.7%	3.4%	N/A
Other Transportation	8.5%	63.7%	60.5%	1.9%	N/A
Publishing	-10.2%	43.4%	36.5%	4.7%	N/A
Telecommunications	-7.7%	60.7%	47.5%	7.8%	N/A
Insurance	-4.2%	52.5%	40.5%	7.3%	N/A
Insurance Carriers	-9.2%	51.6%	38.9%	7.8%	N/A
Insurance Brokers	-1.3%	61.2%	56.5%	2.9%	N/A
Renting, Leasing and Related	100.5%	49.9%	48.2%	1.1%	N/A
Real Estate	67.8%	84.3%	74.4%	5.2%	N/A
Professional, Scientific and Technical Services	58.8%	72.7%	68.2%	2.6%	N/A
Computer System Design	-57.6%	67.6%	57.2%	6.2%	N/A
Administrative and Support Services	126.9%	84.2%	79.7%	2.4%	N/A
Educational, Healthcare and Social Assistance Services	90.4%	93.1%	81.8%	5.5%	N/A
Accommodation Services	105.9%	41.6%	36.2%	3.7%	N/A
Food Services	94.4%	40.3%	39.6%	0.5%	N/A
Repair and Maintenance	53.9%	16.7%	14.9%	1.5%	N/A
Tourism - Transportation	-3.9%	30.0%	25.8%	3.2%	N/A
Tourism - Accommodation	93.1%	41.5%	36.1%	3.7%	N/A
Tourism - Food and Beverage	94.4%	36.1%	35.5%	0.5%	N/A
Tourism - Other	57.1%	27.3%	24.1%	2.5%	N/A
<b>Total Economy</b>	<b>53.3%</b>	<b>55.9%</b>	<b>52.7%</b>	<b>2.0%</b>	<b>-22.5%</b>

## Appendix C: Detailed Industry Indicator Grades

### Economic Indicators – Current Performance (2006-2007)

Economic Industries	GDP	Employment	Productivity	Taxes	Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	D	D	D	B
Forestry and Logging	D	D	D	D	D
Crude Oil Extraction	A	A	B	B	B
Natural Gas Extraction	D	D	D	A	B
Mining except Oil and Gas Extraction	A+	D	A+	D	A+
Total Utilities	B	A+	D	D	D
Residential Construction	B	A	D	B	A
Non-Residential Construction	B	A	D	B	D
Food Manufacturing	B	B	B	B	A
Textile Products and Related Manufacturing	D	D	D	D	D
Wood Product Manufacturing	D	D	B	D	D
Paper Manufacturing	D	D	B	D	B
Printing and Related Support Activities	D	B	D	D	D
Petroleum and Coal Products Manufacturing	D	A+	D	D	D
Chemical Manufacturing	D	A	D	D	D
Pharmaceutical and Medicine Manufacturing	D	D	D	D	D
Plastics and Rubber Products Manufacturing	D	D	B	D	A
Non-metallic Mineral Product Manufacturing	A	D	A+	B	D
Fabricated Metal Product Manufacturing	B	D	A	D	B
Machinery Manufacturing	B	D	B	D	D
Computer and Electronic Product Manufacturing	A	B	B	D	B
Electrical Equipment, Appliance and Component Manufacturing	D	D	B	D	A+
Motor Vehicle Manufacturing	D	D	A	D	B
Motor Vehicle Parts Manufacturing	D	D	A+	D	A
Aerospace Product Manufacturing	A	D	A+	B	D
Furniture and Related Product Manufacturing	B	D	B	D	D
Wholesale Trade	A	B	B	D	B
Retail Trade	A	B	A	D	D
Air Transportation	A	B	B	A+	D
Other Transportation	D	B	D	D	D
Publishing	A	D	A	B	D
Telecommunications	B	D	A	D	B
Insurance	D	B	D	D	B
Insurance Carriers	D	A	D	D	B
Insurance Brokers	D	D	B	D	A
Renting, Leasing and Related	A	A	D	D	D
Real Estate	B	D	B	B	A
Professional, Scientific and Technical Services	B	B	D	B	D
Computer System Design	B	D	B	A+	D
Administrative and Support Services	B	B	B	D	A
Educational, Healthcare and Social Assistance Services	B	B	D	D	D
Accommodation Services	B	A	D	A+	A
Food Services	D	A	D	D	A+
Repair and Maintenance	B	B	D	D	A
Tourism - Transportation	A	B	B	A+	D
Tourism - Accommodation	B	B	D	A+	A
Tourism - Food and Beverage	D	B	D	D	A+
Tourism - Other	A	B	B	B	D
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>D</b>



# Economic Indicators – Recent Performance (2004-2007)

Economic Industries	GDP	Employment	Productivity	Taxes	Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	D	D	D	D
Forestry and Logging	D	D	A	D	D
Crude Oil Extraction	B	A+	D	D	A
Natural Gas Extraction	D	A+	D	B	A
Mining except Oil and Gas Extraction	D	A	D	D	D
Total Utilities	B	B	B	D	D
Residential Construction	B	B	D	A	A+
Non-Residential Construction	B	A	D	A+	D
Food Manufacturing	B	D	A	D	A
Textile Products and Related Manufacturing	D	D	D	D	B
Wood Product Manufacturing	D	D	A	D	D
Paper Manufacturing	D	D	D	D	D
Printing and Related Support Activities	D	D	A	D	B
Petroleum and Coal Products Manufacturing	D	B	D	D	D
Chemical Manufacturing	D	D	B	D	D
Pharmaceutical and Medicine Manufacturing	D	D	A	D	D
Plastics and Rubber Products Manufacturing	D	D	B	D	D
Non-metallic Mineral Product Manufacturing	B	D	A+	D	D
Fabricated Metal Product Manufacturing	B	D	B	D	D
Machinery Manufacturing	A	D	A+	D	D
Computer and Electronic Product Manufacturing	B	B	D	A	B
Electrical Equipment, Appliance and Component Manufacturing	D	D	D	D	A
Motor Vehicle Manufacturing	D	D	D	B	D
Motor Vehicle Parts Manufacturing	D	D	A+	D	D
Aerospace Product Manufacturing	A	D	A+	B	D
Furniture and Related Product Manufacturing	D	D	A	D	B
Wholesale Trade	A	B	B	D	A
Retail Trade	A	B	B	D	D
Air Transportation	A+	B	A	A	D
Other Transportation	B	D	B	D	D
Publishing	B	D	B	D	A
Telecommunications	B	B	B	D	A
Insurance	D	B	D	D	B
Insurance Carriers	D	D	D	D	B
Insurance Brokers	D	A+	D	D	A
Renting, Leasing and Related	A	D	A	D	A
Real Estate	B	A	D	B	B
Professional, Scientific and Technical Services	B	A	D	B	D
Computer System Design	A	B	B	A+	D
Administrative and Support Services	A	B	D	D	A
Educational, Healthcare and Social Assistance Services	B	B	D	D	B
Accommodation Services	A	B	B	A+	A+
Food Services	D	B	D	D	A
Repair and Maintenance	B	B	D	D	B
Tourism - Transportation	A	B	B	B	D
Tourism - Accommodation	B	B	B	A+	A+
Tourism - Food and Beverage	B	B	D	D	A
Tourism - Other	B	B	D	D	D
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>D</b>

# Economic Indicators – Trend Performance (1999-2007)

Economic Industries	GDP	Employment	Productivity	Taxes	Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	C	C	B	B	C
Forestry and Logging	C	D	A+	C	B
Crude Oil Extraction	B	A+	D	D	A
Natural Gas Extraction	C	A	D	D	A
Mining except Oil and Gas Extraction	C	C	B	B	C
Total Utilities	C	B	D	B	D
Residential Construction	A+	A+	C	B	A+
Non-Residential Construction	B	B	C	A	C
Food Manufacturing	B	B	C	B	A
Textile Products and Related Manufacturing	D	D	B	C	A+
Wood Product Manufacturing	C	C	B	C	D
Paper Manufacturing	C	D	B	C	D
Printing and Related Support Activities	C	C	C	B	B
Petroleum and Coal Products Manufacturing	C	C	C	B	C
Chemical Manufacturing	C	C	B	C	C
Pharmaceutical and Medicine Manufacturing	A+	B	A	B	D
Plastics and Rubber Products Manufacturing	C	C	B	B	D
Non-metallic Mineral Product Manufacturing	B	C	A	B	D
Fabricated Metal Product Manufacturing	B	B	C	C	C
Machinery Manufacturing	B	C	B	C	B
Computer and Electronic Product Manufacturing	D	C	C	C	B
Electrical Equipment, Appliance and Component Manufacturing	D	D	D	C	C
Motor Vehicle Manufacturing	C	C	B	C	C
Motor Vehicle Parts Manufacturing	C	C	C	C	D
Aerospace Product Manufacturing	C	C	B	C	A
Furniture and Related Product Manufacturing	C	C	C	C	A+
Wholesale Trade	A	B	B	B	C
Retail Trade	A	B	A	B	C
Air Transportation	C	C	A	A	D
Other Transportation	B	B	B	B	C
Publishing	B	C	A	C	A
Telecommunications	A+	C	A+	C	B
Insurance	C	B	D	B	B
Insurance Carriers	C	C	C	B	B
Insurance Brokers	C	A+	D	A+	A
Renting, Leasing and Related	A+	B	A+	B	B
Real Estate	B	A	C	B	B
Professional, Scientific and Technical Services	A	A	B	B	C
Computer System Design	A+	A	A+	A+	C
Administrative and Support Services	A	A	C	B	B
Educational, Health and Social Assistance Services	B	B	C	B	A
Accommodation Services	B	C	B	A	A
Food Services	C	B	C	B	B
Repair and Maintenance	B	C	B	B	B
Tourism - Transportation	C	C	B	B	D
Tourism - Accommodation	B	C	B	A	A
Tourism - Food and Beverage	C	B	C	B	B
Tourism - Other	C	B	C	B	C
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>C</b>

## Economic Indicators – Volatility Performance (1999-2007)

Economic Industries	GDP	Employment	Productivity	Taxes	Wages
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	D	D	B	D
Forestry and Logging	D	D	D	B	B
Crude Oil Extraction	D	D	D	D	B
Natural Gas Extraction	A	D	D	D	B
Mining except Oil and Gas Extraction	B	D	D	B	D
Total Utilities	B	D	D	B	A
Residential Construction	B	B	A	C	D
Non-Residential Construction	B	B	B	D	D
Food Manufacturing	B	B	B	B	B
Textile Products and Related Manufacturing	D	D	D	B	B
Wood Product Manufacturing	D	D	B	D	A
Paper Manufacturing	D	A	A	D	B
Printing and Related Support Activities	D	D	D	B	B
Petroleum and Coal Products Manufacturing	D	D	D	B	D
Chemical Manufacturing	B	D	D	B	B
Pharmaceutical and Medicine Manufacturing	D	D	D	B	D
Plastics and Rubber Products Manufacturing	D	D	B	B	D
Non-metallic Mineral Product Manufacturing	B	D	D	B	A
Fabricated Metal Product Manufacturing	D	B	D	B	B
Machinery Manufacturing	D	B	D	B	B
Computer and Electronic Product Manufacturing	D	D	D	D	B
Electrical Equipment, Appliance and Component Manufacturing	D	D	D	B	D
Motor Vehicle Manufacturing	D	B	D	B	D
Motor Vehicle Parts Manufacturing	B	D	B	B	D
Aerospace Product Manufacturing	D	D	D	D	D
Furniture and Related Product Manufacturing	D	D	D	B	B
Wholesale Trade	A	A	A	B	B
Retail Trade	A	A	A	B	A
Air Transportation	D	D	D	D	D
Other Transportation	A	A	A	B	A
Publishing	B	D	D	B	B
Telecommunications	B	D	D	D	D
Insurance	B	B	A	B	B
Insurance Carriers	B	D	B	B	D
Insurance Brokers	B	D	D	D	D
Renting, Leasing and Related	B	D	D	B	D
Real Estate	A	D	B	B	D
Professional, Scientific and Technical Services	B	A	A	B	A
Computer System Design	B	B	B	D	B
Administrative and Support Services	A	A	A	B	B
Educational, Healthcare and Social Assistance Services	A	A	A	B	A+
Accommodation Services	B	D	D	D	D
Food Services	A	A	A	B	D
Repair and Maintenance	A	A	B	B	A
Tourism - Transportation	D	A	A	D	B
Tourism - Accommodation	A	A	A	D	D
Tourism - Food and Beverage	B	A	A	B	D
Tourism - Other	B	A	A	B	A
<b>Total Economy</b>	<b>A</b>	<b>A+</b>	<b>A</b>	<b>B</b>	<b>A+</b>

# Financial Indicators – Current Performance (2006-2007)

Economic Industries	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	B	D	D	N/A
Forestry and Logging	D	D	A	D	N/A
Crude Oil Extraction	D	B	D	D	N/A
Natural Gas Extraction	D	D	D	D	N/A
Mining except Oil and Gas Extraction	A	B	D	B	N/A
Total Utilities	A	D	A	D	N/A
Residential Construction	D	A	D	D	N/A
Non-Residential Construction	B	A+	D	D	N/A
Food Manufacturing	A	B	D	B	N/A
Textile Products and Related Manufacturing	D	D	A+	D	N/A
Wood Product Manufacturing	D	D	A+	D	N/A
Paper Manufacturing	D	D	A	D	N/A
Printing and Related Support Activities	D	D	A	D	N/A
Petroleum and Coal Products Manufacturing	D	A	D	B	N/A
Chemical Manufacturing	A+	D	A+	A+	N/A
Pharmaceutical and Medicine Manufacturing	D	D	A	D	N/A
Plastics and Rubber Products Manufacturing	A	D	A+	B	N/A
Non-metallic Mineral Product Manufacturing	A+	A	D	A+	N/A
Fabricated Metal Product Manufacturing	D	B	D	B	N/A
Machinery Manufacturing	B	B	D	D	N/A
Computer and Electronic Product Manufacturing	A+	D	B	A	N/A
Electrical Equipment, Appliance and Component Manufacturing	D	D	B	A	N/A
Motor Vehicle Manufacturing	D	D	A+	B	N/A
Motor Vehicle Parts Manufacturing	D	D	A+	B	N/A
Aerospace Product Manufacturing	D	B	D	D	N/A
Furniture and Related Product Manufacturing	B	B	D	D	N/A
Wholesale Trade	B	B	D	B	N/A
Retail Trade	D	A	D	B	N/A
Air Transportation	D	A	D	A	N/A
Other Transportation	D	B	D	D	N/A
Publishing	D	B	B	A+	N/A
Telecommunications	D	B	D	A	N/A
Insurance	B	D	B	A	N/A
Insurance Carriers	D	D	A	A	N/A
Insurance Brokers	B	B	D	D	N/A
Renting, Leasing and Related	B	B	D	D	N/A
Real Estate	B	A	D	A	N/A
Professional, Scientific and Technical Services	A	B	D	B	N/A
Computer System Design	B	A	D	B	N/A
Administrative and Support Services	A	B	D	B	N/A
Educational, Healthcare and Social Assistance Services	D	B	D	D	N/A
Accommodation Services	D	B	B	A	N/A
Food Services	D	B	D	D	N/A
Repair and Maintenance	D	D	B	D	N/A
Tourism - Transportation	D	B	D	B	N/A
Tourism - Accommodation	D	B	D	A	N/A
Tourism - Food and Beverage	D	B	D	D	N/A
Tourism - Other	A+	B	D	B	N/A
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>N/A</b>



# Financial Indicators – Recent Performance (2004-2007)

Economic Industries	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	D	B	B	N/A
Forestry and Logging	D	D	A	D	N/A
Crude Oil Extraction	A	A	D	B	N/A
Natural Gas Extraction	A	B	D	D	N/A
Mining except Oil and Gas Extraction	A+	A	D	A	N/A
Total Utilities	A	B	D	D	N/A
Residential Construction	D	A	D	D	N/A
Non-Residential Construction	B	A	D	D	N/A
Food Manufacturing	D	D	B	D	N/A
Textile Products and Related Manufacturing	D	D	A+	D	N/A
Wood Product Manufacturing	D	D	A	D	N/A
Paper Manufacturing	D	D	A+	D	N/A
Printing and Related Support Activities	D	D	A+	D	N/A
Petroleum and Coal Products Manufacturing	A+	A+	D	D	N/A
Chemical Manufacturing	A	D	A	A	N/A
Pharmaceutical and Medicine Manufacturing	D	D	D	D	N/A
Plastics and Rubber Products Manufacturing	D	D	A	D	N/A
Non-metallic Mineral Product Manufacturing	A	B	D	B	N/A
Fabricated Metal Product Manufacturing	D	D	B	B	N/A
Machinery Manufacturing	D	B	D	D	N/A
Computer and Electronic Product Manufacturing	A	D	A	A	N/A
Electrical Equipment, Appliance and Component Manufacturing	D	D	B	B	N/A
Motor Vehicle Manufacturing	D	D	A+	D	N/A
Motor Vehicle Parts Manufacturing	D	D	A	D	N/A
Aerospace Product Manufacturing	D	D	A	D	N/A
Furniture and Related Product Manufacturing	D	D	B	D	N/A
Wholesale Trade	B	B	D	D	N/A
Retail Trade	D	B	D	B	N/A
Air Transportation	B	A	D	A+	N/A
Other Transportation	B	A	D	D	N/A
Publishing	D	B	D	A	N/A
Telecommunications	D	B	B	A+	N/A
Insurance	B	D	B	B	N/A
Insurance Carriers	A	D	B	B	N/A
Insurance Brokers	D	B	D	B	N/A
Renting, Leasing and Related	A	D	B	A	N/A
Real Estate	A	A	D	B	N/A
Professional, Scientific and Technical Services	B	B	D	B	N/A
Computer System Design	D	D	B	A	N/A
Administrative and Support Services	B	A	D	B	N/A
Educational, Healthcare and Social Assistance Services	B	A	D	B	N/A
Accommodation Services	A+	B	D	A	N/A
Food Services	D	D	B	D	N/A
Repair and Maintenance	D	D	B	B	N/A
Tourism - Transportation	B	A	D	A	N/A
Tourism - Accommodation	A+	B	D	A	N/A
Tourism - Food and Beverage	D	D	D	D	N/A
Tourism - Other	B	D	B	B	N/A
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>N/A</b>

# Financial Indicators – Trend Performance (1999-2007)

Economic Industries	Investment	Revenue	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	D	B	C	B	N/A
Forestry and Logging	D	C	B	D	N/A
Crude Oil Extraction	A	A+	D	A+	N/A
Natural Gas Extraction	A+	A+	D	B	N/A
Mining except Oil and Gas Extraction	A	B	B	A+	N/A
Total Utilities	A	B	C	C	N/A
Residential Construction	B	A	D	C	N/A
Non-Residential Construction	C	B	C	C	N/A
Food Manufacturing	C	C	B	C	N/A
Textile Products and Related Manufacturing	D	D	A+	D	N/A
Wood Product Manufacturing	C	C	B	D	N/A
Paper Manufacturing	D	D	A+	D	N/A
Printing and Related Support Activities	D	D	A	D	N/A
Petroleum and Coal Products Manufacturing	A+	A+	D	B	N/A
Chemical Manufacturing	D	C	B	B	N/A
Pharmaceutical and Medicine Manufacturing	B	A	D	D	N/A
Plastics and Rubber Products Manufacturing	C	C	B	D	N/A
Non-metallic Mineral Product Manufacturing	C	B	C	D	N/A
Fabricated Metal Product Manufacturing	D	C	B	D	N/A
Machinery Manufacturing	C	C	B	D	N/A
Computer and Electronic Product Manufacturing	D	D	A+	C	N/A
Electrical Equipment, Appliance and Component Manufacturing	D	D	A	D	N/A
Motor Vehicle Manufacturing	D	D	A+	D	N/A
Motor Vehicle Parts Manufacturing	D	D	A	D	N/A
Aerospace Product Manufacturing	D	D	A	D	N/A
Furniture and Related Product Manufacturing	D	C	B	D	N/A
Wholesale Trade	B	B	C	C	N/A
Retail Trade	B	B	C	C	N/A
Air Transportation	D	C	A	A	N/A
Other Transportation	C	B	C	C	N/A
Publishing	C	C	B	B	N/A
Telecommunications	D	B	B	A	N/A
Insurance	C	B	B	A	N/A
Insurance Carriers	B	B	B	A	N/A
Insurance Brokers	C	B	C	B	N/A
Renting, Leasing and Related	A	C	B	C	N/A
Real Estate	A	B	C	B	N/A
Professional, Scientific and Technical Services	B	B	C	B	N/A
Computer System Design	D	B	C	A	N/A
Administrative and Support Services	A	A	C	B	N/A
Educational, Healthcare and Social Assistance Services	A	A	D	A	N/A
Accommodation Services	A	C	B	B	N/A
Food Services	A	C	B	B	N/A
Repair and Maintenance	B	C	A	C	N/A
Tourism - Transportation	C	C	A	A+	N/A
Tourism - Accommodation	A	C	B	A	N/A
Tourism - Food and Beverage	A	C	B	B	N/A
Tourism - Other	B	C	A	A	N/A
<b>Total Economy</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>C</b>	<b>N/A</b>

# Financial Indicators – Volatility Performance (1999-2007)

Economic Industries	Investment	Revenues	Costs	Profit Margins	Bankruptcies
Agriculture, Fishing, Hunting, Trapping and Support Activities	A	D	D	D	N/A
Forestry and Logging	D	B	B	B	N/A
Crude Oil Extraction	B	D	D	D	N/A
Natural Gas Extraction	D	D	D	D	N/A
Mining except Oil and Gas Extraction	D	D	D	D	N/A
Total Utilities	A	D	D	D	N/A
Residential Construction	A+	A	A	A	N/A
Non-Residential Construction	A	B	B	B	N/A
Food Manufacturing	D	B	B	A	N/A
Textile Products and Related Manufacturing	D	B	D	A	N/A
Wood Product Manufacturing	D	D	D	D	N/A
Paper Manufacturing	D	D	D	D	N/A
Printing and Related Support Activities	B	B	B	B	N/A
Petroleum and Coal Products Manufacturing	D	D	D	B	N/A
Chemical Manufacturing	D	B	B	B	N/A
Pharmaceutical and Medicine Manufacturing	D	D	B	D	N/A
Plastics and Rubber Products Manufacturing	B	B	B	B	N/A
Non-metallic Mineral Product Manufacturing	B	B	A	B	N/A
Fabricated Metal Product Manufacturing	A	A	A	A	N/A
Machinery Manufacturing	A	A	B	B	N/A
Computer and Electronic Product Manufacturing	D	D	D	D	N/A
Electrical Equipment, Appliance and Component Manufacturing	D	B	D	D	N/A
Motor Vehicle Manufacturing	D	B	B	B	N/A
Motor Vehicle Parts Manufacturing	D	B	B	B	N/A
Aerospace Product Manufacturing	A	D	D	D	N/A
Furniture and Related Product Manufacturing	B	B	B	A	N/A
Wholesale Trade	A	B	B	A	N/A
Retail Trade	B	A	A	A	N/A
Air Transportation	D	D	D	D	N/A
Other Transportation	B	B	A	B	N/A
Publishing	D	B	B	D	N/A
Telecommunications	B	B	D	D	N/A
Insurance	D	A	A	B	N/A
Insurance Carriers	D	B	A	B	N/A
Insurance Brokers	D	B	A	B	N/A
Renting, Leasing and Related	A	D	D	D	N/A
Real Estate	D	B	B	B	N/A
Professional, Scientific and Technical Services	B	B	D	A	N/A
Computer System Design	D	B	D	D	N/A
Administrative and Support Services	B	B	B	A	N/A
Educational, Healthcare and Social Assistance Services	A	A	A	A	N/A
Accommodation Services	D	B	B	B	N/A
Food Services	D	A	A	B	N/A
Repair and Maintenance	A	A	A	B	N/A
Tourism - Transportation	D	B	B	D	N/A
Tourism - Accommodation	D	B	B	B	N/A
Tourism - Food and Beverage	D	A	A	B	N/A
Tourism - Other	B	B	B	B	N/A
<b>Total Economy</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>	<b>N/A</b>

## Appendix D: Detailed Industry Performance Scores

### Economic Performance Index

Economic Industries	Sub-Indices (various perspectives)				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Agriculture, Fishing, Hunting, Trapping and Support Activities	94.7	93.0	92.4	68.1	87.1	35
Forestry and Logging	74.6	83.6	92.8	75.0	81.5	43
Crude Oil Extraction	112.4	103.7	86.9	57.2	90.0	31
Natural Gas Extraction	102.8	101.7	78.5	61.3	86.1	36
Mining except Oil and Gas Extraction	116.9	96.4	93.8	69.3	94.1	22
Total Utilities	103.4	96.8	89.4	83.0	93.1	28
Residential Construction	108.0	112.6	118.9	80.2	104.9	2
Non-Residential Construction	98.9	104.9	102.2	77.4	95.8	17
Food Manufacturing	108.0	108.6	103.4	83.9	101.0	8
Textile Products and Related Manufacturing	78.5	73.3	78.3	69.9	75.0	47
Wood Product Manufacturing	61.9	66.6	86.9	71.9	71.8	48
Paper Manufacturing	88.6	75.8	73.4	80.1	79.5	46
Printing and Related Support Activities	87.1	89.7	92.9	63.8	83.4	41
Petroleum and Coal Products Manufacturing	82.6	89.0	93.1	59.7	81.1	44
Chemical Manufacturing	82.9	89.0	92.7	76.7	85.3	37
Pharmaceutical and Medicine Manufacturing	77.4	93.9	105.5	47.6	81.1	45
Plastics and Rubber Products Manufacturing	92.9	88.5	93.8	75.6	87.7	34
Non-metallic Mineral Product Manufacturing	103.6	96.8	97.0	73.3	92.6	29
Fabricated Metal Product Manufacturing	103.1	99.3	96.6	75.4	93.6	24
Machinery Manufacturing	95.8	105.2	100.8	77.9	94.9	21
Computer and Electronic Product Manufacturing	105.3	104.8	83.5	39.6	83.3	42
Electrical Equipment, Appliance and Component Manufacturing	103.4	98.6	77.9	56.6	84.1	39
Motor Vehicle Manufacturing	89.4	86.4	87.6	70.3	83.4	40
Motor Vehicle Parts Manufacturing	97.9	85.7	81.9	73.6	84.8	38
Aerospace Product Manufacturing	105.5	108.2	95.6	49.3	83.7	32
Furniture and Related Product Manufacturing	100.0	94.9	103.0	74.7	93.2	27
Wholesale Trade	107.1	110.0	107.3	93.7	104.5	3
Retail Trade	101.7	102.6	105.4	97.9	101.9	6
Air Transportation	121.2	116.1	89.5	47.0	93.5	25
Other Transportation	95.7	96.7	96.2	91.5	95.0	20
Publishing	106.2	106.1	104.7	66.6	95.9	16
Telecommunications	101.2	106.6	110.6	56.8	93.8	23
Insurance	96.6	96.4	96.3	84.6	93.5	26
Insurance Carriers	95.7	96.4	94.8	74.9	90.5	30
Insurance Brokers	94.5	97.3	104.2	61.2	89.3	33
Renting, Leasing and Related	100.7	108.5	112.9	65.9	97.0	13
Real Estate	110.9	107.3	103.7	81.8	100.9	9
Professional, Scientific and Technical Services	101.1	99.4	104.6	92.9	99.5	12
Computer System Design	117.1	117.1	131.5	75.4	110.3	1
Administrative and Support Services	105.8	106.7	110.1	90.9	103.4	5
Educational, Healthcare and Social Assistance Services	100.1	100.4	101.2	100.4	100.5	11
Accommodation Services	110.6	121.9	105.0	69.2	101.7	7
Food Services	103.5	101.8	96.8	78.3	95.1	19
Repair and Maintenance	104.2	102.8	105.0	91.3	100.8	10
Tourism - Transportation	110.0	105.2	94.5	77.8	96.9	14
Tourism - Accommodation	111.6	119.5	104.5	80.6	104.0	4
Tourism - Food and Beverage	103.5	103.1	95.9	78.4	95.2	18
Tourism - Other	102.7	98.2	92.3	91.0	96.1	15
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	



## Financial Performance Index

Economic Industries	Sub-Indices (various perspectives)				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Agriculture, Fishing, Hunting, Trapping and Support Activities	94.6	93.2	95.0	79.2	90.5	37
Forestry and Logging	74.8	77.8	85.7	83.2	80.4	46
Crude Oil Extraction	82.5	104.2	119.0	53.7	89.8	39
Natural Gas Extraction	75.7	92.0	109.7	29.5	76.7	48
Mining except Oil and Gas Extraction	105.0	115.3	117.2	73.7	102.8	5
Total Utilities	105.7	91.3	102.2	53.9	88.2	43
Residential Construction	94.5	97.6	98.7	101.4	98.1	16
Non-Residential Construction	95.7	98.1	96.0	95.2	96.3	21
Food Manufacturing	105.6	97.9	94.8	90.6	97.2	17
Textile Products and Related Manufacturing	97.1	91.6	82.8	85.4	89.2	40
Wood Product Manufacturing	88.6	76.7	87.0	56.2	77.1	47
Paper Manufacturing	95.5	88.7	78.9	73.6	84.2	44
Printing and Related Support Activities	90.3	90.6	89.6	89.5	90.0	38
Petroleum and Coal Products Manufacturing	100.6	103.6	111.5	54.5	92.5	31
Chemical Manufacturing	124.9	112.4	95.6	83.6	104.1	1
Pharmaceutical and Medicine Manufacturing	77.3	75.0	94.0	80.2	81.6	45
Plastics and Rubber Products Manufacturing	105.7	96.3	90.4	91.9	96.1	23
Non-metallic Mineral Product Manufacturing	117.5	106.5	96.0	91.7	102.9	3
Fabricated Metal Product Manufacturing	99.7	95.9	91.5	98.5	96.4	19
Machinery Manufacturing	100.6	93.1	89.9	94.3	94.5	29
Computer and Electronic Product Manufacturing	118.6	110.2	89.8	44.1	90.7	35
Electrical Equipment, Appliance and Component Manufacturing	97.3	96.8	81.1	78.1	88.3	42
Motor Vehicle Manufacturing	92.1	92.9	84.4	86.9	89.0	41
Motor Vehicle Parts Manufacturing	93.7	96.4	89.7	89.7	92.4	32
Aerospace Product Manufacturing	98.5	95.6	85.1	84.3	90.9	34
Furniture and Related Product Manufacturing	101.4	88.8	84.0	91.9	91.6	33
Wholesale Trade	102.7	99.7	99.8	100.4	100.7	9
Retail Trade	100.4	93.5	99.6	99.0	98.1	15
Air Transportation	99.5	110.9	99.8	61.0	92.8	30
Other Transportation	93.0	100.6	96.9	94.0	96.1	22
Publishing	102.8	99.1	97.7	81.6	95.3	27
Telecommunications	103.4	110.0	99.8	73.1	96.6	18
Insurance	105.2	101.4	103.4	89.6	99.9	11
Insurance Carriers	102.6	105.7	106.0	87.0	100.3	10
Insurance Brokers	99.9	98.0	99.0	87.0	96.0	24
Renting, Leasing and Related	93.9	109.7	102.9	71.7	94.5	28
Real Estate	107.8	105.1	104.4	86.6	101.0	7
Professional, Scientific and Technical Services	105.0	99.6	101.5	88.3	98.6	13
Computer System Design	101.3	92.9	92.2	75.7	90.5	36
Administrative and Support Services	104.9	100.4	103.5	88.5	99.3	12
Educational, Healthcare and Social Assistance Services	97.5	98.9	107.1	100.0	100.9	8
Accommodation Services	107.5	116.0	107.3	80.9	102.9	4
Food Services	95.4	90.8	103.6	93.1	95.8	26
Repair and Maintenance	95.2	93.5	99.4	97.4	96.4	20
Tourism - Transportation	101.0	110.2	109.2	73.9	98.6	14
Tourism - Accommodation	106.7	115.7	108.5	83.7	103.6	2
Tourism - Food and Beverage	95.4	90.8	104.8	92.5	95.9	25
Tourism - Other	111.0	102.4	105.0	92.5	102.7	6
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Composite Performance Index

Economic Industries	Sub-Indices (various perspectives)				Overall Index	
	Current	Recent	Trend	Volatility	Score	Rank
Agriculture, Fishing, Hunting, Trapping and Support Activities	94.6	93.1	93.7	73.7	88.8	36
Forestry and Logging	74.7	80.7	89.3	79.1	80.9	47
Crude Oil Extraction	97.4	104.0	102.9	55.4	89.9	35
Natural Gas Extraction	89.2	96.8	94.1	45.4	81.4	45
Mining except Oil and Gas Extraction	111.0	105.9	105.5	71.5	98.5	14
Total Utilities	104.5	94.0	95.8	68.4	90.7	33
Residential Construction	101.3	105.1	108.8	90.8	101.5	4
Non-Residential Construction	97.3	101.5	99.1	86.3	96.1	18
Food Manufacturing	106.8	103.2	99.1	87.3	99.1	11
Textile Products and Related Manufacturing	87.8	82.4	80.6	77.7	82.1	43
Wood Product Manufacturing	75.2	71.6	87.0	64.1	74.5	48
Paper Manufacturing	92.0	82.2	76.2	76.9	81.8	44
Printing and Related Support Activities	88.7	90.1	91.3	76.7	86.7	40
Petroleum and Coal Products Manufacturing	91.6	96.3	102.3	57.1	86.8	39
Chemical Manufacturing	103.9	100.7	94.1	80.2	94.7	27
Pharmaceutical and Medicine Manufacturing	77.4	84.5	99.7	63.9	81.4	46
Plastics and Rubber Products Manufacturing	99.3	92.4	92.1	83.8	91.9	32
Non-metallic Mineral Product Manufacturing	110.6	101.6	96.5	82.5	97.8	15
Fabricated Metal Product Manufacturing	101.4	97.6	94.1	87.0	95.0	26
Machinery Manufacturing	98.2	99.2	95.4	86.1	94.7	28
Computer and Electronic Product Manufacturing	111.9	107.5	86.7	41.8	87.0	38
Electrical Equipment, Appliance and Component Manufacturing	100.4	97.7	79.5	67.3	86.2	42
Motor Vehicle Manufacturing	90.7	89.6	86.0	78.6	86.2	41
Motor Vehicle Parts Manufacturing	95.8	91.1	85.8	81.7	88.6	37
Aerospace Product Manufacturing	102.0	101.9	90.4	66.8	90.3	34
Furniture and Related Product Manufacturing	100.7	91.9	93.5	83.3	92.4	31
Wholesale Trade	104.9	104.8	103.6	97.1	102.6	2
Retail Trade	101.0	98.1	102.5	98.4	100.0	9
Air Transportation	110.3	113.5	94.7	54.0	93.1	29
Other Transportation	94.4	98.7	96.6	92.7	95.6	21
Publishing	104.5	102.6	101.2	74.1	95.6	20
Telecommunications	102.3	108.3	105.2	65.0	95.2	25
Insurance	100.9	98.9	99.8	87.1	96.7	17
Insurance Carriers	99.2	101.0	100.4	81.0	95.4	24
Insurance Brokers	97.2	97.6	101.6	74.1	92.6	30
Renting, Leasing and Related	97.3	109.1	107.9	68.8	95.8	19
Real Estate	109.3	106.2	104.0	84.2	100.9	6
Professional, Scientific and Technical Services	103.0	99.5	103.1	90.6	99.1	12
Computer System Design	109.2	105.0	111.8	75.6	100.4	8
Administrative and Support Services	105.4	103.6	106.8	89.7	101.3	5
Educational, Healthcare and Social Assistance Services	98.8	99.7	104.2	100.2	100.7	7
Accommodation Services	109.0	118.9	106.2	75.0	102.3	3
Food Services	99.5	96.3	100.2	85.7	95.4	23
Repair and Maintenance	99.7	98.2	102.2	94.4	98.6	13
Tourism - Transportation	105.5	107.7	101.9	75.8	97.7	16
Tourism - Accommodation	109.2	117.6	106.5	82.1	103.8	1
Tourism - Food and Beverage	99.5	97.0	100.3	85.4	95.6	22
Tourism - Other	106.9	100.3	98.7	91.7	99.4	10
<b>Total Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Appendix E: Feasibility of Expanding the Analysis to Include International Comparisons

### 1) Background

One of the other objectives of this study was to provide an initial assessment of the future potential of extending the domestic comparison presented in this report to include an additional international assessment. In principle, an international comparison would use the same type of benchmark methodology, depending on the availability of the data. Alternatively, it might be supplemented using a different set of indicators. By combining the domestic benchmark with the international benchmark, a true 360 degree picture of the performance of the tourism industry would emerge.

As part of our investigation for an international extension, this section of the report assesses and recommends the range of internationally comparable measures that appear, initially, to be feasible; and also, which countries can and should be included in an international comparison. This assessment also comments on the availability of relevant data and how it would need to be transformed in order to make comparisons feasible.

### 2) Approach

The approach to assessing the potential feasibility of extending the comparison to include an international component involved a mixture of literature review, web-based tourism and economic information searches and expert consultations. These enquiries focused on various tourism-specific and industry-wide international economic data sources and meta-data sources. Direct expert consultations involved checking on the availability and scope and depth of coverage with other stakeholders and users of some of the key data sources. The approach also included, a review of existing literature on the evolution of the tourism satellite account, the conceptual framework for the supply-side view of tourism as a synthetic industry sector and a tool for assessing the relative economic contribution of tourism to national economies.

### 3) Possible Data Sources

The results of our pursuit for data sources identified two key potential sources. These are: a) Tourism Satellite Accounts (Sources: United Nations World Tourism Organizations, Eurostat, Organization for Economic Cooperation and Development); and, b) Simulated Tourism Satellite Accounts (Sources: World Travel and Tourism Council, Oxford Economics, Tourism Economics)

Theoretically, one option would be to use and compare the data derived from the Tourism Satellite Accounts. Various countries have developed this capacity to define, describe and measure tourism consistently in the national economy. Since 2001, the individual country projects all follow a common international standard, the Tourism Satellite Account Recommended Methodological Framework. Thus, in principle, the results should be comparable between countries.

However, despite widespread support for the concept of measuring tourism as a synthetic industry sector, a recent review (Libreros, Massieu and Meis, 2005) revealed that progress to date in adopting the new framework and implementing it as part of national systems of tourism statistics is still relatively limited -- in 2005 only 70 of 180 countries had completed tourism satellite accounts, or had research and development projects in progress. And of those with completed projects,



relatively few countries (between 10 and 20) have fully implemented and sustained the new statistical instrument as part of their national systems of tourism statistics.

More importantly, methodological comparisons (Meis, 2002; Libreros et al, 2005) of the various completed R&D projects with the new standard revealed that most results are not comparable at this stage. Too many differences exist in both the scope of coverage of both tourism supply and demand as well as inconsistent use of established national accounting standards and practices in implementing the new measurement instrument (Meis, 2002; Libreros, et al., 2005).

What is more, only a handful of countries, have extended the TSA further into industry operational performance tracking systems producing time series trend data of the national tourism sector, such as the Canadian National Tourism Indicators that underpin the current domestic benchmarking analysis in this report. Besides Canada, only a few other countries are capable of providing similar base data as a bi-product of established tourism satellite account research and development programs. Only countries -- such as Australia, Austria, Spain, Sweden, New Zealand and the United States -- have implemented the similar ongoing TSA-based measurement and tourism sector industrial performance tracking capacities that would be required

Thus, based this review, it appears that data emerging from individual national tourism satellite accounts are incapable of supporting the extension of the current domestic tourism sector performance comparisons to an international assessment. Alternatively, from available information provided by the World Travel and Tourism Council (WTTC) and consultations with one of their designated affiliates, Tourism Economics, the WTTC Simulated Tourism Satellite Accounting and Forecasting data base appears, in principle, to offer the best potential for extending the current analysis to the international level.

Under contract to the WTTC, Oxford Economics currently produces, annually, a series of measures of the supply- side economic aspects of travel and tourism annually for 176 countries produced by their model-based Simulated Tourism Satellite Account. (STSA). Available aggregates of performance measures of the "travel and tourism industry" sector include the following thirteen measures (direct impacts only): Gross Domestic Product, employment, total demand, compensation, operating surplus, capital investment, subsidies, indirect taxes, personal taxes, corporate taxes, property taxes, and total taxes. Data are compiled for all of these aggregates for 176 countries covering a twenty year period from 1988 to 2008.

Table A1 shows these 13 STSA travel and tourism industry performance measures matched against the domestic performance indicators used in the current study. At this categorical level of comparison there appears to be a potential match between the base data measuring Canadian domestic tourism sector performance and the STSA international base data for seven performance indicator measures: Gross Domestic Product, employment, total demand, compensation, operating surplus, capital investment, and total taxes.

Determining the actual goodness of fit between the operational measures and associated data for the seven "matching" variable measures would require more in-depth analysis of existing metadata descriptive information in prototype feasibility assessment study as well as variable by variable data comparisons for Canadian measures in both analytical data files. Such further study would determine the extent which the operational definitions and available data are consistent enough to support this level detailed level of comparison and analytical assessment.



However, the potential match-merge of the two analytical data files would not require a perfect match across all seven conceptual measures. As with the current domestic analysis, a potential international extension analysis, would focus on comparing the relative rates of change in transformed index measures derived from the base data. For the most part, this would not involve comparing the relative levels of base indicator measures themselves across or between various international destinations. Thus, the conceptual and measurement fit needn't be perfect as long as each measure is internally consistent within each particular data series.

Extending the international tourism performance benchmarking analysis below the national tourism sector level to the sub-sectoral industry group level does not appear either feasible or very fruitful at this stage in the evolution of tourism measurement. Consultations with Tourism Economics indicate that they and Oxford Economics have previously assembled and massaged sub-sectoral industry group data for a few key performance measures published at the national level, such as Employment, Real GDP and Gross Output.

In their opinion, extending this sort of analysis at the sub-sectoral tourism industry group level for or the full set of measures and a large set of countries would require a very significant level of effort. First, it would involve assembling existing national Input-Output tables for individual countries. Then there would be the task of combing through each of them to find and extract the necessary individual data elements to assemble and compile a full analytical cross-national dataset. Oxford and Tourism Economics have some (maybe 30) of these national I-O tables in their internal files. Depending on the competitive set of interest, however, most would have to be culled and assembled from the published national accounts of individual countries on a country-by-country basis.

They caution that, even then, the I-O data are only available in a patchwork array of differing sizes of tables for different reference years for different countries. Furthermore, the tourism portion of the reference characteristic tourism industries would not be identifiable from these sources. Even then, the likely returns in quality data that would support detailed comparative analysis across both time and geography would be relatively low compared with the time consuming and expensive process of searching out, assembling and compiling the available secondary data required. Because of the absence of easily available, consistent and comparable international time series data at this level of analysis; pursuing the proposed extension of the domestic comparison analysis at the sub-sector industry group level appears fruitless.

Another part of our investigation for an international extension looked at the question of which countries can and should be included in an international comparison. This assessment started with a list of "competitive destinations" deemed to be competing with Canada for international travelers. Previously, the Canadian Tourism Commission (CTC) has provided this list to the Canadian Tourism Research Institute (CTRI) as a basis for the development of the Short Term Competitive Outlook report produced by CTRI. The list includes the following 18 countries and two regional groups:

Australia,
China,
France,
Germany,
Hong Kong
Italy
India

Japan
Latin America
Brazil
Mexico
South Africa
South Korea
Sub-Saharan Africa

Kenya,
Nigeria,
Ghana,
Senegal
United Kingdom
United States

Table A2 shows the current data coverage for these countries in the previously discussed international data sources of greatest potential-- the WTTC/Oxford inventory of "simulated satellite accounts produced by Oxford Economics; and data inventories of tourism sector satellite accounts held UNWTO. Table A2 reveals that all eighteen of the CTC's list of competitive destinations are covered completely in the WTTC/Oxford Simulated TSA Accounting Tool Data Base for a full 20-year period from 1988-2008.

While data on the tourism economies of all 18 previously designated competitive destinations appear available, the initial list would need to be reassessed for its relevance and appropriateness before proceeding further with a full prototype feasibility study of extending the current analysis to the international level. Ideally, the list would be further culled to produce a smaller set of competing tourism destination economies of most relevance to Canada's interests and most appropriate for comparative benchmarking purposes. Two useful criteria in culling this list down would be "major mature destinations" and "newly emerging competing destinations". Using these criteria, we recommend reducing the existing list of international competitors to the following 12 countries for potential future international benchmarking purposes:

Australia,
China,
Japan,
Brazil
Mexico

France,
Germany
Italy
India
South Korea

United Kingdom
United States

The list could also be reshaped to place more emphasis on other mature international destination industries with similar product profiles to Canada such as Austria, Switzerland and Sweden and less emphasis on emerging destination industries such as India and China or those with very dissimilar product profiles such as Brazil, Italy and Mexico.

This assessment also considered, in general terms, how trend and level data found in the WTTC/Oxford data file for the designated competitive set of countries would need to be transformed in order to make comparisons feasible.

In general terms, the proposed international extension of the performance benchmarking analysis would employ the same basic methodological approach as described earlier for the domestic benchmarking comparisons.

Data on the different final set of available indicators for the final chosen comparative set of competitive tourism sectors would be combined into benchmark indices for current performance,

recent performance and trend performance. The score for each performance measure would be calculated in the same manner described in the current analysis. The same would apply to the international sector ranking process and summarization headline index ranking process.

Because of the different focus of the analysis, the different base data sources, as well as the final available indicators available for the international comparison, a separate stand-alone report is suggested for the proposed future international benchmarking comparison assessment.

#### 4) Conclusion

Based on this initial conceptual feasibility assessment, it appears possible to extend the current domestic tourism competitive benchmarking analysis to the international level. However, because of the limitations in coverage and depth of data sources available at this level of analysis, and the significant challenges and relatively high costs of assembling and building a customized special purposed data base, the scope of the analysis would probably have to be limited to comparisons at the tourism sector level found in the existing WTTC data bases produce by Oxford Economics. Even then, the range of base indicator variables use in the analysis would have to be more limited than that found in the current domestic analysis. Because of the differences in both the focus and the base data that would be involved, we recommend initially developing and testing an international comparative extension in a separate stand alone study and end-product report

Further research and development would be required to test the actual concept in building a prototype version of the proposed international benchmark comparison report. The actual costs involved in obtaining and using the necessary data depend on the range of countries, indicator variables and the number of years covered. They would have to be determined as a part of responding to a specific proposal for such research and development activity.

**Table A1: Potential Matches of Tourism Sector Performance Measures in the Domestic Benchmark Study and WTTC Simulated TSA Analytical Tool Data Bases**

Domestic Benchmark Study Aggregate Indicators (from CTSA & NTI)	Potential Match?	WTTC Simulated TSA Total Tourism Aggregate Indicators	Potential Match?
Real GDP	Yes	Gross Domestic Product	Yes
Employment	Yes	Employment (000s)	Yes
Price Index	No		Yes
Revenues (gross output)	Yes	Total Demand	Yes
Costs.	No		No
Salaries and wages	Yes	Compensation	Yes
Profits	Yes	Operating surplus	Yes
Capital Expenditures	Yes	Capital Investment	Yes
Profit Margin	No		No
Labour Productivity	No		No
	No	Depreciation	No
	No	Subsidies	No
	No	Indirect taxes	No
	No	Personal taxes	No
	No	Corporate taxes	No
	No	Property taxes	No
Total Taxes	Yes	Total Taxes	Yes
Bankruptcies	No		No

**Table A2. UNWTO and WTTC Inventories of Countries with TSAs, Simulated TSAs or STSA Modeled Time Series Data Coverage of Canada's Designated Competing Tourism Destination Industry Sectors**

Country	TSA Established Or Under Development	Multi- Years?	WTTC Simulated TSA Country Studies	Covered in WTTC Simulated TSA Accounting Tool Data Base
Australia	Yes established, updated and linked with a GEM impact	Yes	Yes	Yes 1988-2008
Brazil	Project in progress	No	Yes	Yes 1988-2008
China	No not at the national level Pilot projects exist for one or more urban centers	No	Yes	Yes 1988-2008
France	Yes, but part of a set of regional sector accounts. Not a true a true national TSA	No	No	Yes 1988-2008
Ghana	Yes, project in progress	No	Yes, 2008	Yes 1988-2008
Germany	Yes	No	No	Yes 1988-2008
Hong Kong	Yes, a prototype project	No	Yes	Yes 1988-2008
India	Yes, a prototype project	No	Yes	Yes 1988-2008
Italy	Yes	No	No	Yes 1988-2008
Japan	Yes (2006)	No	No	Yes 1988-2008
Kenya	No	No	No	Yes 1988-2008
Mexico	Yes	No	No	Yes 1988-2008
Nigeria	No	No	No	Yes 1988-2008
<u>Senegal</u>	<u>Yes</u>	No	No	Yes 1988-2008
South Africa	Yes	No	Yes	Yes 1988-2008
South Korea	Yes	No	No	Yes 1988-2008
United Kingdom	Yes, for individual countries of Ireland, Scotland, and Wales. England is still a work in progress. Nothing for the UK itself.	Yes, in some cases	Yes	Yes 1988-2008

1) Sources: Libreros, Massieu and Meis, JTR, 2006.

2) [http://www.wttc.org/bin/pdf/original\\_pdf\\_file/2008\\_methodology.pdf](http://www.wttc.org/bin/pdf/original_pdf_file/2008_methodology.pdf) //WTTC

3) [http://www.wttc.org/eng/Tourism\\_Research/Tourism\\_Satellite\\_Accounting/TSA\\_Country\\_Reports/](http://www.wttc.org/eng/Tourism_Research/Tourism_Satellite_Accounting/TSA_Country_Reports/)



## Appendix F: Detailed Specification of Tourism Sector Industries

CTSA Industry aggregation	NAICS 2002 code	Title
<b>TRANSPORTATION</b>		
<b>Air transportation</b>	481110	Scheduled air transportation
	481214	Non-scheduled chartered air transportation
	481215	Non-scheduled specialty flying services
		Passenger rail transportation
<b>Rail transportation</b>	482114	
<b>Water transportation</b>		Deep sea, coastal and Great Lakes water transportation (except by ferries)
	483115	Deep sea, coastal and Great Lakes water transportation by ferries
	483116	Inland water transportation (except by ferries)
	483213	Inland water transportation by ferries
<b>Bus transportation</b>	483214	
	485110	Urban transit systems
	485210	Interurban and rural bus transportation
	485410	School and employee bus transportation
	485510	Charter bus industry
<b>Scenic and sightseeing transportation</b>	485990	Other transit and ground passenger transportation
	487110	Scenic and sightseeing transportation, land
	487210	Scenic and sightseeing transportation, water
	487990	Scenic and sightseeing transportation, other
<b>Taxis and limousine service</b>		
	485310	Taxi service
	485320	Limousine service
<b>Vehicle rental and leasing</b>	532111	Passenger car rental
		Truck, utility trailer and RV (recreational vehicle) rental and leasing
	532120	
<b>ACCOMMODATION</b>		
<b>Hotels</b>	721111	Hotels
	721112	Motor hotels
	721113	Resorts
	721120	Casino hotels
<b>Motels</b>	721114	Motels
<b>Camping</b>	721211	RV (recreational vehicle) parks and campgrounds
	721213	Recreational (except hunting and fishing) and vacation camps
<b>Other accommodation</b>	721191	Bed and breakfast
	721192	Housekeeping cottages and cabins
	721198	All other traveller accommodation
	721212	Hunting and fishing camps
<b>FOOD AND BEVERAGE SERVICES</b>		
	722110	Full-service restaurants
	722210	Limited-service eating places
	722410	Drinking places (alcoholic beverages)

**RECREATION AND ENTERTAINMENT**

512130	Motion picture and video exhibition
711111	Theatre (except musical) companies
711112	Musical theatre and opera companies
711120	Dance companies
711130	Musical groups and artists
711190	Other performing arts companies
711211	Sports teams and clubs
711213	Horse race tracks
711218	Other spectator sports
711510	Independent artists, writers and performers
712111	Non-commercial art museums and galleries
712119	Museums (except art museums and galleries)
712120	Historic and heritage sites
712130	Zoos and botanical gardens
712190	Other heritage institutions
713110	Amusement and theme parks
713120	Amusement arcades
713210	Casinos (except casino hotels)
713291	Lotteries
713299	All other gambling industries
713910	Golf courses and country clubs
713920	Skiing facilities
713930	Marinas
713950	Bowling centres
713990	All other amusement and recreation industries

**TRAVEL SERVICES**

<b>Travel arrangement and</b>	561510	Travel agencies
<b>reservation services</b>	561520	Tour operators
	561590	Other travel arrangement and reservation services

## Sources:

(1) Appendix B: Tourism Industries of the Canadian Tourism Satellite Account, Canadian Tourism Satellite Account Handbook,

(2) Appendix D: Tourism Industries for the Provincial and Territorial Satellite Account. The Provincial Territorial Tourism Satellite Accounts for Canada, 1998. Income and expenditure Accounts, Statistics Canada, catalogue no. 12-604-MPE no. 40, June, 2003.

(3) North American Industry Classification System Canada 1997, Statistics Canada, Ottawa, March, 1998